

By Mr. ROWE: A bill (H. R. 15678) for the relief of Oliver A. Campbell; to the Committee on Military Affairs.

By Mr. SELLS: A bill (H. R. 15679) granting a pension to Mary E. Constable; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 15680) authorizing the President to appoint George Gibson Harman to the position and rank of first lieutenant, Quartermaster Corps, in the United States Army; to the Committee on Military Affairs.

By Mr. TEMPLE: A bill (H. R. 15681) granting an increase of pension to Ulysses Grant Kirker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4907. By Mr. DALLINGER: Petition of Boston Lodge No. 264, of the International Association of Machinists, favoring free and unrestricted commercial exchange and traveling conditions and privileges with the Russian soviet government; to the Committee on Foreign Affairs.

4908. By Mr. DARROW: Petition of instructors of the Schaeffer-Wister School, of Germantown, Philadelphia, favoring the Smith-Towner bill; to the Committee on Education.

4909. By Mr. DYER: Petition of the Chamber of Commerce, Kansas City, Mo., protesting against the Kenyon-Anderson bill; to the Committee on Interstate and Foreign Commerce.

4910. Also, petition of the St. Louis Chamber of Commerce, protesting against the passage of the metric-standards bill; to the Committee on Coinage, Weights, and Measures.

4911. Also, petition of J. O. Stephens, John G. Benda, Mrs. J. O. Stephens, V. Budrovick, R. M. Saylor, and J. J. Hogen, all of St. Louis, Mo., favoring the passage of the Smith-Towner educational bill; to the Committee on Education.

4912. Also, petition of Rev. C. Vogelmann, Rev. Fr. Fintan, Rev. A. A. Riss, and Rev. F. Horee, protesting against the occupation of Germany by French colonial troops; to the Committee on Foreign Affairs.

4913. Also, petition of women voters of Washington, Krakaw, and Cuba, Mo., protesting against the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4914. Also, petition of Candy Bros. Manufacturing Co., St. Louis, Mo., protesting against the proposed 10 per cent tax on candy; to the Committee on Ways and Means.

4915. Also, petition of the Chamber of Commerce, Kansas City, Mo., supporting the Nolan Patent Office force and salaries bill; to the Committee on Patents.

4916. Also, petition of the Chamber of Commerce of Kansas City, Mo., favoring the Poindexter antistrike bill (S. 4204) and its counterpart in the House; to the Committee on Interstate and Foreign Commerce.

4917. Also, petition of the Chamber of Commerce of Kansas City, Mo., supporting the French-Capper truth in fabric bill; to the Committee on Interstate and Foreign Commerce.

4918. By Mr. HAYS: Petition of the Chamber of Commerce of Cape Girardeau, Mo., urging Congress at its next session to provide maintenance of the South Pass and the earliest possible completion of the Southwest Pass; to the Committee on Rivers and Harbors.

4919. By Mr. JOHNSTON of New York: Petition of the American Legion of New York County, N. Y., protesting against the Sunday blue laws; to the Committee on Interstate and Foreign Commerce.

4920. By Mr. LEHLBACH: Petition of sundry citizens of Newark, N. J., protesting against the occupation of Germany by French colonial troops; to the Committee on Foreign Affairs.

4921. By Mr. MACGREGOR: Petition of sundry citizens of Buffalo, N. Y., protesting against the use of French colonial troops in the occupied territories of Germany; to the Committee on Foreign Affairs.

4922. By Mr. O'CONNELL: Petition of the Gerseta Corporation, 461 Fourth Avenue, New York, urging a revision of the United States income tax laws; to the Committee on Ways and Means.

4923. By Mr. JOHN W. RAINEY: Petition of the Chicago Distrikts-Verband, protesting against the use of barbarous or semibarbarous troops in the occupied territories of Germany; to the Committee on Foreign Affairs.

4924. Also, 700 petitions presented by Gus Scheel, of Chicago, Ill., protesting against the use of the French colonial troops in occupied Germany; to the Committee on Foreign Affairs.

4925. By Mr. TAGUE: Petition of the E. B. Horn Co., Boston, Mass., protesting against an increased tax on jewelry; to the Committee on Ways and Means.

SENATE.

WEDNESDAY, January 12, 1921.

(Legislative day of Monday, January 10, 1921.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

EDWIN S. JOHNSON, a Senator from the State of South Dakota, appeared in his seat to-day.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Harrison	McNary	Smith, S. C.
Brandeggee	Hefflin	Moses	Smoot
Calder	Henderson	Nelson	Stanley
Capper	Johnson, Calif.	New	Sterling
Culberson	Johnson, S. Dak.	Nugent	Sutherland
Curtis	Jones, N. Mex.	Overman	Swanson
Dial	Jones, Wash.	Page	Trammell
Dillingham	Kellogg	Phipps	Underwood
Edge	Kenyon	Pittman	Wadsworth
Fernald	Keyes	Poindexter	Walsh, Mass.
France	King	Ransdell	Walsh, Mont.
Gay	Knox	Robinson	Warren
Glass	La Follette	Sheppard	Williams
Gronna	Lenroot	Sherman	Wolcott
Hale	McCumber	Smith, Ariz.	
Harris	McKellar	Smith, Md.	

Mr. HARRISON. I was requested to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Missouri [Mr. REED] on account of illness.

I was also requested to announce the absence of the Senator from Kentucky [Mr. BECKHAM] and the Senator from California [Mr. PHELAN] on official business.

The VICE PRESIDENT. Sixty-two Senators have answered to the roll call. There is a quorum present.

CREDENTIALS.

The VICE PRESIDENT laid before the Senate a certificate of the governor of Missouri certifying to the election of SELDEN P. SPENCER as a Senator from that State for the term of six years beginning March 4, 1921, which was read and ordered to be filed, as follows:

THE STATE OF MISSOURI,
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1920, SELDEN P. SPENCER was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1921.

In testimony whereof I hereunto set my hand and cause to be affixed the great seal of the State of Missouri. Done at the city of Jefferson this 5th day of January, A. D. 1921.

[SEAL.]

FREDERICK D. GARDNER,
Governor.

By the governor:

JOHN L. SULLIVAN,
Secretary of State.

RESIGNATION OF CHAPLAIN.

The VICE PRESIDENT laid before the Senate a letter from the Chaplain of the Senate, which was read, as follows:

WASHINGTON, D. C., January 11, 1921.

HON. THOMAS R. MARSHALL,
President of the Senate.

MY DEAR MR. PRESIDENT: As my ministerial duties are taking me out of the city of Washington, I desire to resign the office of Chaplain of the United States Senate, to take effect at the will of the Senate.

May I express through you my appreciation of all the courtesies extended to me by the Senators during the time I have served as Chaplain, and to assure each of them of my sincere desire for his success in the great work committed to the Senate.

Respectfully,

F. J. PRETTYMAN.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 244) providing for the payment of expenses of conveying votes of electors for President and Vice President.

ENROLLED JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 237) to enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States on March 4, 1921, and it was thereupon signed by the Vice President.

PETITIONS.

Mr. WARREN presented a resolution adopted by the Rawlins Range Association, of Rawlins, Wyo., favoring the emergency tariff bill, which was referred to the Committee on Finance.

He also presented a telegram in the nature of a petition of the Chamber of Commerce of Cheyenne, Wyo., praying for the enactment of legislation appropriating sufficient funds for the continuance of the coast-to-coast aerial mail service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Rawlins Range Association, of Rawlins, Wyo., favoring the so-called truth-in-fabric bill, which was referred to the Committee on Interstate Commerce.

AMERICAN NATIONAL RED CROSS.

Mr. NEW, from the Committee on Foreign Relations, to which was referred the bill (S. 4826) to amend section 5 of the act entitled "An act to incorporate the American National Red Cross," approved January 5, 1905, reported it favorably without amendment.

DON MANUEL ESTRADA CABRERA.

Mr. MOSES, from the Committee on Foreign Relations, to which was referred Senate resolution 395, submitted by him December 8, 1920, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Whereas on the 14th day of April, 1920, in the city of Guatemala, there was drawn and signed in the American Legation and in the presence of the American minister certain articles of capitulation, under the terms of which the constitutional President of the Republic of Guatemala, Don Manuel Estrada Cabrera, in order to avoid bloodshed agreed to surrender to the revolution then resisting his authority, in consideration of which the leaders of said revolution and the provisional government established by them, of which Don Carlos Herrera was titular president, agreed to lodge Don Manuel Estrada Cabrera in the military academy, giving the most solemn and ample guaranties for his life and property; and

Whereas upon the surrender of Don Manuel Estrada Cabrera, pursuant to said articles of capitulation, he was, in violation thereof, forthwith removed to the common jail and there confined in a cell used only for the imprisonment of dangerous criminals and deprived of all legal rights and privileges, in order that the said leaders of the revolution might sack his residence and despoil him of his property in its entirety; and

Whereas there is reason to believe that the said Don Manuel Estrada Cabrera continues to be maltreated in every way in violation of the solemn pledges given under the protection of the American Legation: Therefore be it

Resolved, That the Secretary of State be, and he is hereby, requested, if not incompatible with public interests, to transmit to the Senate such information as he may possess bearing upon this subject.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 4827) to authorize the Secretary of War to furnish to the National Museum certain articles of the arms, matériel, equipment, or clothing heretofore issued or produced for the United States Army, and to dispose of colors, standards, and guidons of demobilized organizations of the United States Army, and for other purposes; to the Committee on Military Affairs.

Mr. CALDER. Mr. President, I ask unanimous consent for permission to introduce a bill regulating the coal industry, growing out of the work of the committee on which I have recently been engaged. I ask that it be referred to the Committee on Manufactures.

By Mr. CALDER:

A bill (S. 4828) to promote the general welfare by gathering information respecting the ownership, production, distribution, costs, sales, and profits in the coal industry, and by publication of same, and to recognize and declare coal and its production and distribution charged with public interest and use, and for other purposes; to the Committee on Manufactures.

By Mr. MOSES:

A bill (S. 4829) to amend an act entitled "An act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis." (Public No. 265, 66th Cong.); to the Committee on Post Offices and Post Roads.

By Mr. GRONNA:

A bill (S. 4830) to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of grain for future delivery, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WALSH of Massachusetts:

A joint resolution (S. J. Res. 245) prohibiting the exercise, without the consent of Congress, of the authority conferred upon the Secretary of the Treasury relative to obligations of foreign Governments acquired by the United States; to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

Resolved, etc., That the authority conferred upon the Secretary of the Treasury by section 2 of the first Liberty loan act approved April 24, 1917; section 3 of the second Liberty loan act approved September

24, 1917; section 2 of the third Liberty loan act approved April 4, 1918; section 2 of the fourth Liberty loan act approved July 9, 1918; section 8 of the Victory loan act approved March 3, 1919, to determine the maturity of, and rate, and method and time of payment of interest on, obligations of foreign Governments acquired by the Government of the United States shall not hereafter be exercised without the previous consent of the Congress.

AMENDMENTS TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. ROBINSON submitted an amendment proposing to appropriate \$110,000 for the completion of the Government free bath houses at Hot Springs Reservation, Ark., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. SHEPPARD submitted an amendment proposing to appropriate \$35,000 for a water storage tank with steel tower, etc., and a small laboratory building, at Galveston, Tex., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. RANDELL submitted an amendment proposing to increase the appropriation for prosecuting work of flood control on the Mississippi River from \$6,670,000 to \$10,000,000, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment proposing to appropriate \$25,000 for mooring facilities, Algiers, La., immigration station, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENTS TO EMERGENCY TARIFF BILL.

Mr. HARRISON. I propose as an amendment to House bill 15275, the emergency tariff bill, a bill which passed the House some months ago to consolidate, codify, revise, and reenact the general and permanent laws of the United States in force March 4, 1919. I move that the proposed amendment be referred to the Committee on Finance without being printed.

The motion was agreed to.

Mr. RANDELL submitted an amendment intended to be proposed by him to House bill 15275, the emergency tariff bill, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO ATMOSPHERIC NITROGEN BILL.

Mr. HARRIS submitted an amendment intended to be proposed by him to the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production; and for other purposes, which was ordered to lie on the table and be printed.

PRODUCTION OF ZINC ORES, ETC.

Mr. SPENCER submitted an amendment intended to be proposed by him to the bill (H. R. 6238) to provide revenue for the Government and to establish and maintain the production of zinc ores and manufactures thereof in the United States, which was ordered to lie on the table and be printed.

LOANS TO FOREIGN GOVERNMENTS.

Mr. WALSH of Massachusetts submitted the following resolution (S. Res. 422), which was referred to the Committee on Foreign Relations:

Resolved, That the Secretary of the Treasury and the Secretary of State be, and they hereby are, directed to transmit, as soon as practicable, to the Senate copies of all official correspondence and other documents relating to the negotiations for the payment of interest on and refunding of the obligations of foreign Governments acquired by the United States under the provisions of section 2 of the first Liberty loan act, approved April 24, 1917; section 3 of the second Liberty loan act, approved September 24, 1917; section 2 of the third Liberty loan act, approved April 4, 1918; section 2 of the fourth Liberty loan act, approved July 9, 1918; and section 8 of the Victory loan act, approved March 3, 1919.

Resolved further, That the Secretary of State and the Secretary of the Treasury be, and they hereby are, directed to advise the Senate whether any negotiations touching the matters referred to have been conducted by oral exchange in whole or in part, and if so, to communicate to the Senate in substance the proposals submitted during the course of such exchanges on behalf of the Government of the United States and such foreign Governments, respectively.

EMERGENCY TARIFF.

Mr. EDGE. Mr. President, while I thoroughly appreciate that the Senate has under consideration to-day the so-called Muscle Shoals nitrate bill, still, at the same time, inasmuch as before a committee of the Senate there is now for consideration the bill known as the emergency tariff bill, and according to public reports the public hearings on that measure have

ceased and the bill is to be acted upon in the committee in a very short period, I feel that it is extremely important, especially for a Senator who is on this side of the Chamber and who has, as I have, some rather clearly defined views on the question of emergency tariff, to express them at this time. I do not wish unnecessarily to delay the final consideration of the Muscle Shoals bill, yet at the same time that bill is designed, as I understand it, to spend a few more million dollars of the taxpayers' money, while, in my judgment, the tariff legislation is designed to increase the income to the country, and it might be just as well to take a quarter of an hour to discuss the other side of the picture.

In considering any tariff legislation, even so-called emergency tariff measures, it is imperative that Congress view the problem from the greatly changed trade conditions brought about by the war.

The high protectionist of a few years ago, if he is fair to his own convictions and the accepted contentions of those days, must recognize that a creditor nation, exporting three times the value of its imports, must consider whether in the end the advantages of possibly increased duty receipts and attendant protection of home industries will actually and profitably balance, with the possibility of the world's markets being eventually closed to us by prohibitive exchange rates, even if not by retaliation.

I agree absolutely that depreciated currency abroad and the corresponding reduction in costs of goods delivered at our ports imperatively demand some immediate advance in duties to cover such depreciation, but I seriously question an otherwise greatly higher range for reasons which seem to me perfectly obvious.

It is not a sectional problem; the manufacturing East has no issue with the West or the South on that score. Tariff, however, must not be used for the maintenance of abnormal war prices anywhere or to prevent a gradual reduction in costs which is essential to national readjustment and deflation. We must recognize that a very large proportion of citizens are intensely interested in obtaining lower living costs. The demand that tariff revision shall be reasonable and not prohibitive under the pretense of being protective deserves our careful consideration.

Up to the 1st of November Europe in 1920 had sent us only \$1,078,000,000 in goods, contrasted with \$3,721,000,000 in goods which we exported to Europe. The nations of the world, chiefly those of Europe, owe us approximately \$15,000,000,000 net, which will call for about \$750,000,000 a year in interest charges alone. Reason right here is found for the lopsided exchange rates, which discourage the foreign buyer, while the remarkable convalescence of industry in Europe is making it sufficiently independent to contemplate retaliatory measures if it believes we are exercising undue discrimination in our tariff schedules.

Senators, we can not have the cake and the penny both; the most ardent protectionist, in which class I believe I can claim full membership, must now recognize the unfailing rule of business, that to increase exports and thus encourage and increase production and the employment of labor we must receive payment in either cash or goods in order that the wheels may continue to go around. When the wheels stop turning the bread line forms. And any tariff which in effect acts indirectly, yet effectively, as an embargo against imports through exchange rates or in any other way would, with few exceptions, in my judgment, result only in closing the market for American products; would necessarily reduce prices to the producers, where every effort apparently is now being made by Congress to increase them; would depress the labor market, and certainly would not result in that business development and prosperity which full production and world trade would naturally bring about.

Nor must we for a moment forget the equally imperative necessity for stimulating our own domestic trade. This can not be done by superficial legislation nor by any legislation other than genuine cooperation, for no law on the statute books now or hereafter can supersede the unwritten yet inexorable law of supply and demand. Congress never can help business or industry or agriculture by trying to create false markets or false prices by artificial methods, and it should discourage this chasing of the will-o'-the-wisp. Congress should strive to inspire a renewal of confidence at home, and then there will come coincidentally in our own country a greater demand for our own products. While I am a firm believer in a great export business, at the same time I am confident that with a return of confidence we can greatly increase our own domestic purchases and development, and this is bound to come if we stop trying to establish false prices by artificial means. Congress is feeding American business on the shadow when it demands the sub-

stance; no pot of gold is to be found at the end of a legislative rainbow.

We must aim first to develop our home markets, to expand, through business activities that will promote prosperity, the purchasing power of our own people and to inspire in them a confidence in soundness and permanency that will induce them to buy, rather than have them live from hand to mouth in the apprehension of uncertainty and instability. Cutting down Government expenditures, getting the Government out of business that is in competition with our citizens, revising of the taxation system, and the installation of a budget are means of reviving domestic confidence. Coincidentally we must aim to sell our excess products to other nations, and in that our real profit lies, for in interchanging dollars among ourselves we would make no more profit than a family in which one man was a shoemaker and another a tailor and another a hatter, and each supplied only the others' needs. We must go after the other fellow's money, be it the pound, the franc, the lire, or the yen. So in attaining both these ends we shall automatically encourage American production, which is the foundation of substantial national prosperity.

And right here let me say that we can not possibly get the other fellow's money by financing the other fellow with money advanced by the American Government, as is proposed through the resuscitation of the War Finance Corporation. Such a scheme only will add to the huge indebtedness already owed by foreign nations to the United States. The papers are full and Congress is full of talk that "Europe owes America \$15,000,000,000." Instead of arranging for the reduction of that debt, the Government now, through the resurrected War Finance Corporation, is going to increase it. Probably all the money now needed by Europe to purchase American goods can be supplied by American private investment capital, which not only would not increase the European indebtedness to our Government, but actually would tend substantially to decrease it.

It may be argued by advocates of Government financial aid that the financial help to be extended to Europe "will not be in actual cash but through credits, and so no money will go out of this country to foreign lands." Granted; but that is the identical procedure through which the Government loaned the \$15,000,000,000 to Europe. Not a dime of that sum went to Europe in cold cash but was kept and expended right here in the United States. Yet it was a loan just the same, and Europe on it owes us \$15,000,000,000 to-day. It will be exactly the same thing through Government foreign financing with the War Finance Corporation as the agency. If the Government of the United States is to be made a paternalistic institution for the benefit of foreign nations and of favored classes at home, God help the American taxpayer! And such a policy in the past furnishes the main reason for the high taxes of to-day. Theorists and visionaries who in their hearts should know better persuade the people, "Oh, the Government can stand it; the Government can pay." That is a most wicked deception. The people of the United States are "the Government," and never are they more intimately the Government than in the payment of expenditures of every kind. When the Government was losing hundreds of millions of dollars a month in the operation of the railroads theorists and Government ownership advocates, and even some administration officials, said, "Oh, the Government can pay the deficit." And the Government did pay it and still is paying it; but, so intimately are the people "the Government" that even now pennies are squeezed out of the poor little children's pockets in taxes on their ice cream and toys so that "the Government" can pay for inexcusable extravagance, mismanagement, and waste.

If private capital chooses to lend its resources to foreign purchasers of American goods, that is its business; any individual citizen or group of citizens as such may lend money or credit to whom they will, but for either the legislative or executive branches of the Government to lend the whole people's money, not with profit to the people, but with actual burdens in taxes, is to my mind inexcusable and wrong. Were permanent, concrete advantage to be obtained through this plan one might say that the end justified the means, but in actual practice no one is going to be permanently benefited; very few, if any, will be temporarily benefited, and those whom it is sought by this means to benefit will really suffer in the end.

Furthermore, no matter how much money or credit the United States may lend to Europe either through private or Government channels, we are not going to encourage or stimulate foreign purchasing if we impose an embargo against imports from other lands. If the American producer needs help, don't let us hand him a pair of broken crutches. And it must be remembered that our imports will help pay for the goods we send abroad, will help to restore foreign exchange to a reasonable

basis, and indirectly will help Europe to curtail its enormous indebtedness to the United States. Along wise, conservative banking lines we are justified in furnishing credit abroad to help our market for our goods, and for the specific purpose of furnishing a vehicle through which credit could be granted abroad and actual money be paid to American producers and vendors, the so-called Edge Act was passed by Congress and active movements are under way to utilize its provisions. Recently, for instance, the cotton growers of the South, together with the banking interests of that section, organized a corporation under this act with a capital, I believe, of \$6,000,000, and, according to newspaper accounts, the idea has taken hold so firmly that over seven millions was actually subscribed. A corporation under the act, with two millions of capital, already is doing business, with headquarters in New York, and recently steps have been taken, backed by the American Bankers' Association, to organize a corporation with \$100,000,000 capital, enabling it to do a business of \$1,000,000,000. This will take in various groups in different sections of the country particularly interested in export trade.

These plans are substantial, permanent plans. They will act largely as a curative for prevailing economic ills instead of the quack nostrums which theorists seek to administer to business. They are not efforts artificially to raise prices in the face of the infallible barometer of supply and demand. Ultimately, in my judgment, they will be of more lasting benefit to American farmers and other producers and to American labor than all the efforts under the sun to rehabilitate semiwar-time Government agencies or to grant special advantages in our home markets to any particular class of American citizens. However, this particular activity is only one opportunity to help make a market for our products abroad; it can not solve the entire question, far from it; it can only help, and, I believe, help effectually.

It has been said when this general subject has been under discussion on the floor of the Senate that the producers were not taking advantage of the export finance act because only two or three corporations had been organized under it. The answer is that up to a very few months ago producers and business men in general did not feel the actual, pressing necessity of looking out for trade. We still were living in that fools' paradise of large profits made during and immediately following the war, and there was little inspiration or apparent necessity to provide investment capital for such a purpose; the full pains of readjustment and deflation had not yet been felt. But in the past few months, since conditions have materially changed, orders for goods have fallen off and prices to at least the producer, even though not always to the consumer, have shrunk materially. However, as I have frankly stated, this export financing activity will not alone solve the problem. A wise, carefully considered policy on the tariff as it relates to exports and markets may well go side by side with this credit-supplying instrument. The policy, though, must be most carefully considered, and from every possible angle. Hurried legislation will harm more than help, and just to pass a haphazard "tariff bill," especially in such an emergency and crisis, may give a black eye to the genuine Republican—the real American tariff policy, and set it back far more than all the free-trade arguments in the world ever could possibly accomplish.

For one thing, we must carefully consider just what retaliatory measures a high protective tariff at this time may invite from most countries which already are buying our goods or are disposed to buy them. We must consider whether the additional income we might receive from an emergency tariff will compensate the American Government, American business, and the American people at large for an inevitable falling off of imports which ultimately must follow. We must consider whether, through this method, we can artificially raise the prices to the producer and still find him a market abroad or even at home, even if we do manage to keep his competitors out of this country. We can not consume all we produce and the surplus must be sold outside our own country, and it is manifest that we can not sell it at prices established by ourselves if these prices are materially higher than general world prices based on the law of supply and demand. I realize that the producers are suffering great shrinkage in prices, particularly the farmers of the West, Northwest, and South; yet that shrinkage is being very little reflected in the prices the consumer pays for his clothes or his bread or his cotton goods. It is a case of heads, no one wins; tails, everyone loses.

Would not Congress do well—following the very illuminating statement on this line recently by the Senator from Kansas [Mr. CAPPER]—to endeavor to eliminate, or at least curtail, the many profits that seem to be added in the road from the producer to the ultimate consumer? Then, probably, the producer would be in a very much better position to obtain a fair

price for his goods and the consumer would not be mulcted by numerous transition profits. Efforts are being made by a committee of the Senate to follow this line of investigation to remedial ends in the coal industry, and, I feel justified in saying, already with considerable practical results.

I am free to admit, Mr. President, that I look with considerable alarm on this undigested and, I am afraid, not carefully considered effort arbitrarily to add to the tariff on certain staples. As stated, some revision is undoubtedly justified because of exchange conditions, but every other angle should likewise be considered before we make the plunge. I would be one of the last men in this Chamber to refuse to vote for a sound protective tariff sufficient to properly protect American industry and agriculture and labor. I believe in this fundamental principle. But, under the changed economic conditions, which can not be ignored, I want most carefully to balance a possible benefit in some cases with the equally possible deterrent in the development of American world trade, as I have generally outlined. The present situation, I fear, is not one that can be safely handled, with proper accruing benefits, as an emergency measure. It is a situation in which each commodity should and must be considered on its own basis, with the utmost care and investigation. As a producing Nation, we must do business with all the world; as a tremendous creditor Nation, we must assure the stability of our world business. As such a Nation as we were before the war, with trade balances fairly even, we were confronted by entirely different conditions and could legislate accordingly. No man can hark back to the days of McKinley and the solely protective tariffs of those times and apply those conditions to these days and present an argument that is really logical or convincing, or will apply in large part to the present situation.

Under every consideration, however, American industry and production must be protected, and I am in no way amending my conviction in that particular, but approach the problem frankly recognizing the changed conditions and their possible effect.

Everyone must thoroughly understand that with the present conditions of foreign exchange it is perfectly ridiculous for us to expect Europe to buy continually from us, when in order to pay they are compelled to add a premium of anywhere from 30 to 900 per cent to their currency to meet their obligations. Certainly, they will buy from any other country in the world than America under such conditions if the goods are to be obtained elsewhere.

Immediately following the war, most naturally, with the devastated condition existing throughout Europe, the United States provided practically the only storehouse from which purchasers could buy, and prices made little difference; they had to purchase from us. Gradually and with increasing momentum they are becoming rehabilitated abroad; their factories are open; their fields in the last year were cultivated in all parts of Europe, and the result from these crops and the activity of these factories will gradually, but permanently, influence trade, and, as has been proved by recent reports of exports and imports, their purchases from us will necessarily decrease in progressive proportion. Therefore, in order to encourage their purchases it is naturally incumbent on us to try to help rectify the present arbitrary exchange conditions, and this can only be done, as every man knows, by restoring a natural and normal balance in trade, and yet we do not want to balance trade at the expense of too greatly lessened exports. We want to do business with all the world and to use our great merchant marine which so far represents an outlay of \$4,000,000,000 of the American people's money, and with an interest charge of about \$650,000 a day; but without great and ever-growing exports we can not utilize the merchant marine, and to-day, I am informed, hundreds of ships are tied to the docks and will so remain if we do not have the markets, and we can not have the markets if we do not accept trade in exchange. We must export to the maximum of our surplus production, but we also must accept reasonable consignments of imports for our own economic welfare.

Viewed only as a revenue measure, as differentiated from a protective measure, I have serious doubt that an unscientific emergency tariff bill will produce enough additional income to make it worth its salt. By that I mean enough net revenue—enough income to the Government in duties to counterbalance the loss to American business through curtailment of world trade if forced by an American embargo against imports. If schedules are unduly high and unscientific, goods will not come in; and if goods do not come in, it stands to reason there can be no revenue income from that source. Better far, I would say, for instance, to revise the present unscientific, onerous, and unjust tax system, conceived in unbusinesslike theory and born to unproductive oppression. Under this, as millions can testify, dollars are wrung from the people ostensibly for the

Nation's needs, but actually in large part for the enrichment of producers and venders. At every tollgate on the road of any commodity from the producer to the consumer the consumer pays a tax. The producer adds to his price the amount of his excess-profits tax plus a percentage for lagniappe, the middleman adds his excess-profits charge and fails not to tack on just a little for himself, and so it is with each hand through which a commodity passes, until ultimately the consumer has paid from two to six taxes, plus the extra raked off by each hand. In conferences on this question with Government tax experts and others, I am informed, and I am inclined to believe, that one tax at the counter not only would involve far less hardship to the consumer, but actually would provide far more revenue for the Treasury, at a far smaller cost of collection. If this emergency tariff measure is designed to be an income producer, I think we can find far better ways, and ways which will encourage domestic and foreign trade rather than discourage it. And the more trade we have the better will be the prices—the natural, stable prices—for the producer.

We who have stood for protection will stand for protection and always will stand for protection of American industry and agriculture, business, and labor. But we still must recognize the other elements that conditions have introduced into the situation, and I, for one, must repeat that in view of these known facts our consideration of the emergency tariff bill before the Senate should be with an eye to the future, and not alone with the thought that it is going to help, even temporarily, any class of citizens proportionately to the distress it may cost in the long run. We well may encourage imports along certain advantageous lines, and by so doing improve the exchange rates for the countries from which the imports come, thus enabling them to buy more and more from us and encouraging their trade with us. At the same time, as I have iterated and reiterated, we must increase exports in order to keep America at work at the highest pressure of its great potentiality developed under stress of war. We can not impose our own prices, especially if artificially swollen, on possible purchasers if the supply-and-demand prices of the rest of the world are lower than our own. It is a questionable policy, acting alone, to put an embargo on the importation of goods from our rivals with the thought that we are going thus to elevate our own prices; for some day we may awake to find that with the exception of our own domestic market we have little world market for our goods. Then, with growing surpluses of production, prices will shrink to the unflinching level established by supply and demand and the last state of the producer will be worse than the first.

This is not, as I view it, a question of old party tradition or ideals. It is a question for those responsible in Congress to-day to recognize present conditions, and it is my belief that a careful and scientific consideration of this entire subject is vitally essential in order to continue the protective policy to which I believe a majority of this Senate subscribe, and to continue it along lines that will not, in the descriptive vernacular, "kill the goose that lays the golden egg."

ATMOSPHERIC NITROGEN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

Mr. WADSWORTH. Mr. President, if there is no more debate upon the pending amendment, it is my intention to suggest the absence of a quorum, and then, if the Senate will consent, I should like to have a vote upon the pending amendment.

Mr. WOLCOTT. Mr. President, a parliamentary inquiry. What is the pending amendment?

The VICE PRESIDENT. It is the amendment of the Senator from New York [Mr. WADSWORTH].

Mr. WADSWORTH. It is the capitalization feature. I will not suggest the absence of a quorum, Mr. President, as we had a call of the roll a short time ago. I call for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered.

Mr. WALSH of Montana. I ask that the amendment may be stated.

The VICE PRESIDENT. The Secretary will read the amendment.

The Assistant Secretary read the amendment, as follows:

Substitute for lines 4 to 17, inclusive, page 8, the following:

"CAPITAL STOCK AND BONDS.

"The capital stock of the corporation shall consist of 200,000 shares of common stock of the par value of \$100. The corporation shall also issue an amount of 20-year bonds bearing interest at the rate of 5 per cent per annum equivalent to one-half of the total expenditure of

the Government in constructing and acquiring the properties to be transferred to the corporation under this act, and in addition bonds of like character of a par value equal to the full cost of the completed hydroelectric installation at Muscle Shoals if and when transferred to this corporation. If at the end of any fiscal year the corporation shall not have earned net sums sufficient to meet the interest on said bonds as evidenced by audit of the accounts of said corporation by the Secretary of the Treasury, the corporation shall forthwith cease operations and shall not resume until authorized so to do by the Congress.

"In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War, for the proceeds of the sale of nitrate of soda herein made available to the corporation, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at Sheffield, Ala., the corporation shall cause to be executed and delivered to the Secretary of the Treasury a certificate for all of the common stock of the corporation and all bonds provided for by this act. The certificate shall be evidence of the ownership of the United States of all stocks of the corporation. The bonds shall be a lien in favor of the United States of all property of the corporation, and the interest on the bonds shall be paid by the corporation into the Treasury of the United States as miscellaneous receipts."

Also substitute for lines 11 to 14, ending with the word "dividends," on page 9:

"The corporation shall have the power to issue and sell common stock in any amount not to exceed \$12,500,000 of a par value of \$100 per share, representing the moneys appropriated in this act."

Insert on page 10, line 11, after the word "War," the following phrase: "on receipt of an equivalent of common stock."

Substitute for the words "dividends on outstanding preferred stock, such dividends to be paid," beginning on page 10, line 20, the words "interest on the bonds."

Insert after the word "paid," on page 11, line 1, the words "as dividends on the common stock."

Mr. WADSWORTH. Mr. President, there is one little correction which I desire to make to the amendment before it is voted upon, in order to make it consistent throughout. In the very first line of the amendment it should read:

The capital stock of the corporation shall consist of 125,000 shares of common stock of the par value of \$100—

Instead of "200,000 shares."

The VICE PRESIDENT. The modification of the amendment will be stated.

The ASSISTANT SECRETARY. So that it will read:

The capital stock of the corporation shall consist of 125,000 shares of common stock—

And so forth.

The VICE PRESIDENT. Is there any further discussion? If not, the Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. FERNALD (when his name was called). I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON] which I transfer to the junior Senator from West Virginia [Mr. ELKINS], and vote "yea."

Mr. HENDERSON (when his name was called). I have a general pair with the junior Senator from Illinois [Mr. McCORMICK], and in his absence I withhold my vote.

Mr. JONES of New Mexico (when his name was called). I have a general pair with the junior Senator from Missouri [Mr. SPENCER] which I transfer to the junior Senator from Arkansas [Mr. KIRBY], and vote "nay."

Mr. KELLOGG (when his name was called). I have a pair with the senior Senator from North Carolina [Mr. SIMMONS], and in his absence withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS], but I am informed that he would vote upon this amendment the same way that I propose to vote. I therefore record my vote "yea."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FEELINGHUYSEN] which I transfer to the Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my general pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Missouri [Mr. REED], and vote "nay."

Mr. WOLCOTT (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. I am advised that if present he would vote as I propose to vote, and I shall therefore vote. I vote "yea."

Mr. LENROOT (after having voted in the affirmative). I have a pair for the day with the Senator from Arizona [Mr. ASHURST]. I transfer that pair to the Senator from Indiana [Mr. WATSON] and let my vote stand.

Mr. EDGE. I have a general pair with the Senator from Oklahoma [Mr. OWEN], which I transfer to the Senator from Colorado [Mr. THOMAS], who, I understand, if present, would vote as I will vote. I vote "yea."

Mr. KNOX. I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. In his absence, not being able to secure a transfer, I withhold my vote.

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The senior Senator from Connecticut [Mr. BRANDEGEE] with the senior Senator from Tennessee [Mr. SHIELDS];

The senior Senator from Iowa [Mr. CUMMINS] with the senior Senator from Ohio [Mr. POMERENE]; and

The senior Senator from New Mexico [Mr. FALL] with the junior Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 34, nays 32, as follows:

YEAS—34.

Ball	France	McLean	Smoot
Borah	Hale	McNary	Sterling
Calder	Johnson, Calif.	Moses	Sutherland
Capper	Jones, Wash.	Nelson	Townsend
Coit	Kenyon	New	Wadsworth
Curtis	Keyes	Page	Warren
Dillingham	King	Phipps	Wolcott
Edge	Lenroot	Poinexter	
Fernald	McCumber	Sherman	

NAYS—32.

Beckham	Harrison	Phelan	Smith, S. C.
Culberson	Heflin	Pittman	Stanley
Dial	Jones, N. Mex.	Ransdell	Swanson
Fletcher	La Follette	Robinson	Trammell
Gay	McKellar	Sheppard	Underwood
Glass	Myers	Smith, Ariz.	Walsh, Mass.
Gronna	Nugent	Smith, Ga.	Walsh, Mont.
Harris	Overman	Smith, Md.	Williams

NOT VOTING—30.

Ashurst	Gore	Knox	Reed
Brandegge	Harding	Lodge	Shields
Chamberlain	Henderson	McCormick	Simmons
Cummins	Hitchcock	Newberry	Spencer
Elkins	Johnson, S. Dak.	Norris	Thomas
Fall	Kellogg	Owen	Watson
Frelinghuysen	Kendrick	Penrose	
Gerry	Kirby	Pomerene	

So Mr. WADSWORTH's amendment was agreed to.

Mr. LENROOT. I offer the following amendment, which I send to the desk.

The VICE PRESIDENT. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On page 2, line 23, after the word "contracts," insert a comma and the following:

And no such contract shall extend beyond the period of the life of the corporation.

Mr. LENROOT. Mr. President, just a word with reference to the amendment. I do not think there can be any objection to it. Under the bill as it now stands they might make contracts extending for a hundred years beyond the life of the corporation. This amendment limits such contracts to the life of the corporation.

The amendment was agreed to.

Mr. LENROOT. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On page 11, line 8, after the word "liable," strike out the words "beyond its stock subscription," so that the paragraph will read:

The United States shall not be liable for any debts, obligations, or other liabilities of the corporation.

Mr. LENROOT. Mr. President, I do not think there will be any objection to this amendment, or that it needs any discussion.

The amendment was agreed to.

Mr. LENROOT. I offer another amendment, Mr. President.

The VICE PRESIDENT. The Secretary will report the amendment.

The ASSISTANT SECRETARY. It is proposed to amend the amendment reported by the committee, on page 10, line 6, by adding at the end of the proposed amendment the following proviso:

Provided, That not more than 150,000 tons of such nitrate of soda shall be sold, and the subscription by the United States to the capital stock of the corporation created by this act shall not exceed the proceeds of such sale.

Mr. LENROOT. Mr. President, just a word with reference to this amendment. It has been stated by the friends of the measure upon the floor that there is no intention to appropriate any money out of the Treasury to provide the capital stock of this corporation; that it is intended that the capital stock shall be provided by the sale of 150,000 tons of nitrate of soda. The amendment merely provides, in its effect, that the United States shall not be liable for any subscription to capital stock beyond the proceeds of the sale of nitrate of soda; that the capital stock shall be issued only to the extent of the proceeds of such sale, carrying out the statement made by the friends of the bill.

Mr. UNDERWOOD. Mr. President, I do not think the amendment ought to be agreed to; yet I do not consider it as vital to the bill. This corporation, if organized, must have a working capital, and must have some money with which to carry on the development of the nitrate plant to where it can make fertilizers, outside of cyanamid, to sell to farmers.

Last year, when the bill was introduced and the testimony was taken, the experts from the War Department said that they had something like 300,000 tons of nitrate of soda, and that at existing prices then that nitrate of soda could be sold commercially for twelve and a half million dollars, and that that would be sufficient to give them the working capital to make this a completed plant and a going concern.

Since that time the price of nitrate has fallen, so that instead of getting \$12,500,000 at present prices, they would get something like \$8,000,000. I am not sure about my figures, but it is somewhere in that neighborhood. That would reduce the working capital of the corporation \$4,000,000.

Of course, I understand very readily why gentlemen who want to defeat the bill, who do not think the bill ought to pass at all, should favor a proposition that to a limited extent would tie the corporation's hands and impede its operation and its success, assuming that it needed the \$12,500,000 as working capital, as was testified. But if we want to make it a thorough success, I think we ought to make available out of this source, if it is practicable to do so, the working capital which the experts decided on.

Let us see a minute whether that will injure the Government. What I am coming to is whether it is going to work an injury in another way. The nitrate of soda that is on hand was stored for war purposes and is now held as a reserve in the event the Nation should become involved in war in the next few years. The war experts of the Government said that if the plant were in operation it would be more available as an arm of defense than the nitrate of soda that we have in storage, and therefore they thought the economical thing to do, from the standpoint of defense, was to sell the nitrate of soda and operate the plant.

Now, from the standpoint of the public generally, we all know that the farmers of America have been hard driven to obtain sufficient nitrate at reasonable prices for the development of their crops. If the nitrate now in storage is sold, it would be beneficial to the people of the United States. If it is sold in sufficient quantities to produce \$12,500,000, it makes an available sum without going into the Treasury of the United States. To get that \$12,500,000 would probably require, at present prices, the sale of two-thirds of the nitrogen that is on hand, instead of one-half of it. If we do not sell it, what will be the result? The nitrogen is stored now mostly in warehouses at great expense to the Government. More than that, I am told that it deteriorates, and every year that we hold it in the warehouses it becomes less available for the purpose for which it is intended, and less useful. We are losing money every day that we hold it in storage.

Of course, if the Government is going to have no other arm of defense, if we are going to scrap the nitrate plant or let it become obsolescent, and there is no other way in time of war to supply the nitrogen which the Government needs, no matter what it costs to store and no matter what the losses are, I am frank to say that I think we ought to maintain 300,000 tons of nitrate, because war may be more imminent than we expect. On the other hand, we can look back to the past to find out what the Government did. Before we got into the Great War in Europe the Government was carrying about 30,000 tons, instead of 300,000 tons, as an available supply for war protection at that time.

The amendment proposed by the committee authorizes the War Department—and that means the Army, because the bureau is controlled by Army officers—to sell so much of the stock on hand as is necessary to raise \$12,500,000. It does not name the sum, but that sum they name as necessary to furnish a working capital for the plant. I think that discretion had better be left where the bill originally placed it—in the War Department and in the discretion of the Army officers, who certainly are not going to do anything to injure the country—rather than to withdraw that discretion arbitrarily now by limiting the sale to half the amount, when in all probability we could sell two-thirds and get the available capital without injury to the Government or drawing on the Treasury.

I do not regard the amendment as vital to the bill, but I do think those who are really in favor of doing something for the plant and making it an operating concern should not try to have an amendment of this kind adopted.

Mr. KING. Mr. President—

Mr. UNDERWOOD. I yield to the Senator from Utah.

Mr. KING. Has it not been generally the policy of the Government, when it had surplus supplies on hand in any of the departments, to order their sale and the money placed in the Treasury of the United States, even though Congress had to make an appropriation to the same agency that held the surplus supplies to enable it to carry on its operations?

Mr. UNDERWOOD. Undoubtedly; but that is not analogous to this case at all.

Mr. KING. Does not the Senator think that is rather an unwise policy to authorize the sale of property by one agency and then the utilization of the proceeds derived from the sale by some body specified by statute?

Mr. UNDERWOOD. I do not think so at all in this case, because the War Department expects to have an available supply of nitrogen in time of war. They have a supply that came from Chile. They are proposing to operate a plant that will give them a supply by drawing it from the air, so that we may not have to depend on Chilean nitrate; and, of course, by the operation of the plant 24 hours in the day instead of 8 hours, instead of 120,000 tons of nitrate a year it would produce twice that much in a war emergency. So if the plant is kept as a going concern I think the Government is perfectly safe to sell the nitrogen now on hand; but it can not become a going concern unless we give it operating capital, and here is the operating capital.

Mr. SMITH of South Carolina. Mr. President, the amount of Chilean nitrate held by the Government is, of course, an expense to the Government. It is absolutely dead capital unless war should break out. There is no way to realize any income from it whatever. It is a liability. As the Senator from Alabama has indicated, it deteriorates, storage has to be paid, the interest on the investment in the nitrate is large, and all the carrying charges are piling up. The nitrate must be kept fresh, and it must be kept available.

If the Government can construct with the same money, or the proceeds from the sale of this nitrate, a plant which is always alive, which can pay its own expenses, and which perhaps can reimburse the Government for any outlay, is it not a good proposition to take the dead capital invested in the nitrate of soda and put it into a plant which each year is making an amount sufficient for the use of the Government and which can be sold on account of the Government to defray all the expenses and perhaps give a revenue rather than load the Government up with the amount involved in the purchase, storage, and insurance of 300,000 tons?

I supposed that the object of all the Senators and the object of the Government in erecting the plant was to erect it with such capacity as to meet all the requirements of the Government in case there should be an embargo on the importation of the foreign product.

Mr. WADSWORTH. The Senator does not think that the plant running at full capacity could come anywhere near meeting the requirement?

Mr. SMITH of South Carolina. I do not think the airplane in its incipency would have carried the soldiers and the bombs which it did carry, but with its perfection it has done so. We unfortunately left the foreigners to develop it and were at their mercy. It was the same with the U-boat. An American invented the U-boat, but a foreigner was the one who saw the possibilities of it and made it an engine of destruction that came near terminating the war disastrously against us. With those things in view, surely it is time for those charged with governmental affairs here to see that our people are protected and not stand here forever protecting private interests for the purpose of obtaining private profit.

Mr. WADSWORTH. Mr. President, the last observation was unnecessary and uncalled for. I asked the Senator a courteous question. I asked him if he thought the plant could supply the requirements of the Government in case of emergency.

Mr. SMITH of South Carolina. I withdraw that last remark, because I do not feel like having my motive impugned, and I should not, even by a construction, impugn the motive of my colleagues. It still remains a fact that none of us can escape that we were the inventors, the original discoverers, of the possibilities of the airplane, but others developed it to a fighting machine. We were the ones who discovered the possibilities of the U-boat, but others developed it into a fighting machine. Here we are face to face with a condition, not a theory. There was Germany, cut off from the nitrate supply of Chile and would have been whipped to her knees before the war fairly begun had she not, by her governmental aid, through her wonderful scientists, produced the necessary ingredient that made her come near being the victor in the great world conflict.

Leaving aside any question as to whether or not it is wise for us to manufacture fertilizer, surely no Senator will gainsay or deny the imperative duty that rests upon us as representatives of the Government to see that we are equipped with the necessary machinery within our own borders to protect ourselves in time of war, and not be required to depend upon the fortuitous conditions that may arise in securing the supply from a foreign country.

The object of having the 300,000 tons of Chilean nitrate is that if war should break out and Chile should be embargoed against us, we would not be dependent upon that source of supply. I take it that the main object, the prime object, of the legislation is to provide the Government with the fundamental principles of defense. If, in providing ourselves with this absolutely indispensable element of warfare, it should so transpire that that very identical ingredient is essential to and needed in the development of agriculture, would we, because it might interfere with what some have said here is a private interest, stop the Government from the manufacture of the article, from keeping the plant going, taking advantage of every improvement that science may suggest, getting the modified Haber process so synchronized, as the Germans do, that we can produce the ingredient with one-tenth the power that the cyanamid people or the Haber people or the air-process people use now? Would we scrap the plant and turn it over to private interests, whose object may not be for the production of the necessary ingredients for war purposes and leave us, if war should break out, at the mercy of those who have munition plants, or plants that would furnish the ingredients of munitions? Is it not our duty to take advantage of every modern improvement in the process, to spend our money freely, lavishly, but properly, for the development of every means possible to put us on an equality with other nations who are taking advantage of this discovery?

The issue before us right now is clearly drawn. It is, Shall we authorize those into whose hands we have placed the development and improvement of this fundamental and necessary element of warfare the means of so doing rather than require them to hoard and to store the importation of a similar article from a foreign country; for the development of the plant has now reached a stage where it can produce and will produce from 150,000 to 260,000 tons of cyanamid, which is about 20 per cent richer in nitrogen than the nitrate of soda; and it would produce immediately, if war should break out, two-thirds of the supply of the nitrogen required by the Government? Why should we impose upon the Government the necessity of carrying 150,000 tons of a foreign importation, paying interest and the expense of storage and all the charges incident to such carriage of dead-weight property, when the money which it would be necessary so to expend could be invested in an American plant and thereby increase its capacity to a point where there would be no necessity at all of carrying any surplus foreign article?

Mr. President, it seems to me that the proposition is so plain, so patent, that if the plant can be made to meet the requirements of this Government, and to meet them more economically, even from the standpoint of dollars and cents, than the foreign importation, we should bend our energy to see that that plant be thus equipped. If it should not, from the munitions standpoint, be as cheap in dollars and cents as is the commercial product from Chile on a fluctuating market, is it not our duty to have equipped, running and ready at a moment's notice, this plant, in order that if, like a clap of thunder out of a clear sky, war should come, as was the case in the last World War, we should be prepared for it?

I shall not forget that in March of 1914 I sat in this Chamber and heard read the congratulations of the Emperor of Germany to a citizen of the United States; that he, the citizen of the United States, was one of the foremost men in the bringing about and establishing what the Emperor of Germany believed was the beginning of a hundred years of profound peace. I repeat, that was in March of 1914. In the same year, to the honor of this country, a certain citizen of this country received the Nobel peace prize; congratulations were rife; and yet then and there the lines were laid for the world explosion. It came and we were unprepared. With that lesson before us, shall we be negligent of our duty; shall we hark back to the conditions which then found us unprepared? It seems to me, Mr. President, that here and now our object should be to vie with each other to see how we may best frame and enact legislation to develop our facilities to the fullest capacity, and equip our scientists with the means of installing to the full a plant that will insure us, no matter what may occur, an adequate supply of this essential ingredient.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH of South Carolina. I do.

Mr. McNARY. Is it not true, I will ask the Senator from South Carolina, that since the hearings which were had on the pending bill the price of nitrate has greatly dropped?

Mr. SMITH of South Carolina. It has.

Mr. McNARY. And if the bill should encounter difficulties in the other House and not become a law until along in the next summer or fall or during the next session, is it not possible that under the provisions of the bill as now framed all the nitrates which are now held by the Government might be sold in order to realize the sum of money which the Senator thinks the corporation should have? If that be so, does the Senator from South Carolina think it wise that the Government should sell all the nitrate that might be in its possession before the plant was properly equipped and the capital provided to enable it to accumulate from the atmosphere more nitrate?

Mr. SMITH of South Carolina. The Senator from Oregon, as well as I, is a member of the Committee on Agriculture and Forestry, which reported this bill, and therefore knows that the amendment leaves the amount of nitrate to be sold in the discretion of the War Department. Surely that department would be in a position to know whether or not it should sell a sufficient amount of the material to provide the capitalization which is authorized in the bill. If the Senator will read the paragraph in reference thereto he will find that it does not say how much nitrate shall be sold, but the sum provided for is \$12,500,000. I have been a purchaser of nitrate of soda for about 25 years, and I desire to say that unless there should happen some tremendous and unforeseen commercial disaster in this country and in Chile, I see no reason in the world to suppose that the price of nitrate will not mount, for the reason that the supply of that article is being rapidly exhausted and the per cent of nitrogen contained in the sodium salts is rapidly diminishing. In addition to that, the use of that article for fertilizer has increased in this country; I do not remember the exact percentage, but I think in the last decade the increased use of nitrate of soda has been something like between 250 and 300 per cent.

Mr. WADSWORTH. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New York?

Mr. SMITH of South Carolina. I do.

Mr. WADSWORTH. I do not mean to interrupt the Senator from South Carolina if he desires to finish his discussion on that particular topic, but I wish to go back to a statement which he made a moment ago.

Mr. SMITH of South Carolina. I shall be glad to have the Senator from New York do that now.

Mr. WADSWORTH. The Senator from South Carolina said a moment ago that it was in the discretion of the War Department as to how much nitrate should be sold. I call attention to the language of the committee amendment. After proposing to strike out the appropriation of \$12,500,000 the amendment proceeds:

In order to pay such subscription—

That is, the subscription of \$12,500,000 of stock—

as and when called, the Secretary of War is hereby authorized to sell so much as may be necessary of the supply of nitrate of soda owned by the United States—

Mr. SMITH of South Carolina. That is exactly what I said.

Mr. WADSWORTH. The amendment provides that the Secretary of War must sell enough nitrate to raise \$12,500,000.

Mr. SMITH of South Carolina. No.

Mr. WADSWORTH. Yes.

Mr. SMITH of South Carolina. Will the Senator read the language again?

Mr. WADSWORTH. I will.

Mr. SMITH of South Carolina. The provision is that the Secretary of War shall sell the nitrate when it is necessary, when it is called for.

Mr. WADSWORTH. Preferred stock to the amount of \$12,500,000 is to be issued by the corporation under the terms of the bill as introduced.

Mr. SMITH of South Carolina. Yes; at such times as the Secretary of War may see fit.

Mr. WADSWORTH. Yes; but the Secretary of War is authorized to sell enough of the reserve supply of nitrate to raise \$12,500,000. Otherwise the \$12,500,000 could not be obtained, because the appropriation is stricken out. So it is not within the discretion of the Secretary of War as to how much nitrate shall be sold. The discretion exists only as to when it shall be sold, but in any event the amount sold must in

the end bring \$12,500,000, and on to-day's price it will take 240,000 tons to bring that sum.

Mr. SMITH of South Carolina. That is a mere matter of figures. I have seen nitrate of soda sold at \$58 at the beginning of a season and for \$90 at the end of a season. Of course, the Government would contract for its sale at the best price possible; but, be that as it may, the argument which I was making remains true, that the War Department having charge of the plant, having charge of the supply of nitrate from a foreign country, would, as a matter of course, see to it that the Government was protected, and in the event that, in their judgment, they thought the exhaustion of the supply on hand might not be to the best interests of the Government, they could report to Congress to that effect. It is our habit to stay here all the time practically and to take care of situations of that kind as they arise.

The aim and object of this proposed legislation is to take advantage of modern discoveries and to equip our Government with the up-to-date facilities to meet a condition which may confront it at any time. Are we going to take such action or are we not? Is the Government itself going to provide itself with the means of protecting itself so that it will not have to rely, first, on a foreign country for its supply of raw material, and, in the second place, on certain corporations in this country for the manufacture of the raw material into a product necessary to protect the life of the Government? We are face to face with that proposition.

The plant has been built and completed and is ready to manufacture by one process. There is another plant, plant No. 1, which has been built in the expectation that our scientists may be so trained that the modified Haber process may be utilized and developed in this country.

Witnesses came before our committee and testified that Germany offered to allow us to use the patents and to give us the plans and specifications if we could work them out. I am not attempting to use scientific technical phrases, but the process is such that if every part of it does not synchronize the work can not be done, but if those manipulating it become sufficiently expert to cause it, as it is called, to synchronize, it can produce for one-tenth the horsepower the same amount of product that is now produced by the full power. Something like 300,000 tons—and, mark you, that means 300,000 tons of the pure ingredient—are now produced by this modified process in Germany.

Is it not the duty of our Government, if such a patent is in existence, processes under which are capable of doing such wonderful work at a minimum cost, to spare no effort and no means to equip itself with such a plant as will bring about the result desired?

The other plant, plant No. 2, has passed the empirical, the experimental, stage, and is now a fixed fact in the scientific world. For a number of years the product from a like plant at Niagara Falls has been shipped, and the world is familiar with the product. It is a commercial product, and the plant at Niagara Falls is a commercial success. Plant No. 2 is equipped and ready, and it is a comparatively simple and easy process to secure from the initial product of plant No. 2 the ingredients used in explosives.

The question is, Are we going to develop that plant? Are we going to keep it in use or are we not? The question is—and it is not an incidental or subsidiary but a vital and permanent question—shall we continue to use it and to develop it by steam power or shall we utilize the water power which can be developed there and which has been referred to by all the engineers as being the greatest water power to be found in the country outside of Niagara, so that the Government may avail itself of a perpetual force, and, freed from the necessity of purchasing coal and from any commercial incident, may for all time to come have a resource of its own controlled by it?

Much has been said here on this floor about this being a water-power project. We are to be congratulated if at the site of this plant the Government is in control alone of sufficient water power to carry on this necessary work without the additional expense of purchasing coal and the deterioration incident to steam production.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH of South Carolina. I yield.

Mr. McNARY. Will not the Senator from South Carolina admit that, under the provisions of this act, the Secretary of War could, if he wanted to, sell all the nitrates if it became necessary in order to realize a sum of money equal to the subscription, namely, \$12,500,000?

Mr. SMITH of South Carolina. He might.

Mr. McNARY. Does the Senator think that is a wise provision to have in the bill, leaving such a matter, involving the safety of the country, to the judgment of the Secretary of War?

Mr. SMITH of South Carolina. May I ask the Senator a question? Does he think the Secretary of War would jeopardize the interests of this country when it was left discretionary on his part, as it is in this bill?

Mr. McNARY. That is a question of discretion and judgment, and things practically as shameful have happened during this war.

Mr. SMITH of South Carolina. Oh, yes; but let me ask the Senator this question: Does he not think that if the Secretary of War, in carrying out the literal provisions of this bill, were to find that raising the \$12,500,000 in this way would jeopardize the safety of this country, before he did that he would acquaint us with that fact? Does the Senator not think he would?

Mr. McNARY. Mr. President, that really does not reach the vital point, in my opinion.

Mr. SMITH of South Carolina. Yes; if the Senator will allow me, it reaches the vital point, for this reason: If the Secretary of War believed, as he must have believed, that the storing of 300,000 tons of nitrate of soda was not necessary if we had this plant equipped and running, and he might then be allowed to sell this duplication of what we have—it is a duplication if we have the equivalent of a 300,000-ton plant at Muscle Shoals—what is the use of duplicating it in carrying a dead weight of 300,000 tons?

Mr. McNARY. Does not the Senator from South Carolina recall most graphically that during the time the Secretary of War was giving his testimony he thought that at the current prices it would be necessary to sell only 150,000 tons, and that as a matter of safety the balance should be carried as a reserve? That being so, if the price of nitrates should fall, as it has fallen and perhaps will continue to fall, and the subscription to the stock is called for by the corporation, a different entity from the Secretary of War, it may become necessary under this provision in the proposed legislation for him to sell all the nitrates, and therefore leave our stock completely exhausted. Now, that position, if I may add this, was different, as I recall, from that taken by the Secretary of War, and does not conform to his state of mind.

Mr. SMITH of South Carolina. Mr. President, I should much prefer to have the amendment in a shape like this—not to fix it arbitrarily, but to provide that so much of this stored nitrate might be disposed of by the Secretary of War as in his judgment would not jeopardize the amount necessary for military purposes. That would be, in my opinion, much better than to fix arbitrarily the amount that would be necessary, because surely the Secretary of War would have a more accurate knowledge of what was needed to be carried in stock, in view of what was done there, than the Senator or I could have. I should not object to an amendment of that kind.

Mr. McNARY. Mr. President, I will say to the Senator from South Carolina that I think the suggestion he has offered is very much better than the bill as written; but I can not see any objection—

Mr. SMITH of South Carolina. Does not the Senator think it is much better than fixing an arbitrary amount?

Mr. McNARY. I do not think so. I should like to carry through this bill the estimate made by the Secretary of War when the hearing was held, and leave the amount in reserve which he thought should have been left; and if that condition obtains then, it certainly does now.

Mr. SMITH of South Carolina. I frankly admit to the Senator that I do not recall, although it may have been there, that the Secretary of War named what, in his opinion, would be an absolutely necessary reserve.

Mr. LENROOT. Oh, yes, Mr. President; that is where I got the 150,000 tons from.

Mr. SMITH of South Carolina. That escaped me. I thought the contention the Secretary of War made was that at the present price the amount proposed to be sold would not exceed in the aggregate 160,000 tons.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. SMITH of South Carolina. I yield.

Mr. GRONNA. I am sure the Senator knows that the amendment of the Senator from Wisconsin affects not only the amount of Chilean nitrate to be sold but the capital stock of this corporation. The Senate has just adopted the amendment proposed by the Senator from New York. With the permission of the Senator from South Carolina, I want to ask the Senator from Wisconsin if his amendment does not conflict with the amendment just adopted by the Senate?

Mr. LENROOT. No; I think not. I do not think it does. I may be mistaken.

Mr. GRONNA. I will read the first part of the amendment we adopted a moment ago:

The capital stock of the corporation shall consist of 125,000 shares of common stock of the par value of \$100.

Mr. LENROOT. Yes.

Mr. GRONNA. That would be \$12,500,000, would it not? Now, the amendment of the Senator from Wisconsin provides:

Provided, That not more than 150,000 tons of such nitrate of soda shall be sold, and the subscription by the United States to the capital stock of the corporation created by this act shall not exceed the proceeds of such sale.

Mr. LENROOT. Yes. That simply means that the difference between the proceeds of this sale and the authorized capital stock would remain in the Treasury until Congress had authorized a further subscription.

Mr. SMITH of South Carolina. In other words, Mr. President, it means that the capital stock of this corporation shall not exceed the proceeds from the sale of 150,000 tons of nitrate of soda.

Mr. LENROOT. The capital stock subscribed by the United States under this bill.

Mr. SMITH of South Carolina. Yes; that is what it means. Therefore if that was not sufficient they would have to come back to Congress to get the authorization of any more, which means the defeat of the bill. I understand that very thoroughly.

Mr. GRONNA. Yes; but, Mr. President, the Government is required to pay a profit of 5 per cent net upon the \$12,500,000.

Mr. SMITH of South Carolina. Yes, Mr. President; I understand that.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH of South Carolina. I yield.

Mr. McNARY. In order that the record of the proceedings of the day may be complete with regard to the position taken by the Secretary of War, I desire to present his testimony, found at page 17 of the Senate hearings:

We have figured in the War Department that the necessary safety reserve of Chilean nitrate for us to keep on hand against an emergency is 300,000 tons, and we have sold the Government's surplus stocks of nitrate down to 300,000 tons, or we are in process of doing it. We have now figured in the War Department that if this plant is kept going—

The Muscle Shoals plant—

and in addition to that we can rely upon it in an emergency to produce half of what would otherwise be required to keep as a safety reserve, in other words, if this plant is continued according to the plan proposed here we will be required to keep on hand only 150,000 tons rather than 300,000 tons.

If that situation was apparent at that time, it is equally so to-day. He thought, as his testimony indicated, as I very well recall, that 300,000 tons of nitrate was necessary for the safety of the country; but if this plant, under the provisions of this law and the capital made available, were in operation, they could sell the nitrates down to the safety point of 150,000 tons. So the amendment as offered by the Senator from Wisconsin is one of safety and prudence, and comes within the view expressed by the Secretary of War.

Mr. SMITH of South Carolina. If the Senator will reread the remarks of the Secretary of War he will find that he said that if the capacity of this plant were half, then half would be necessary to be retained. Suppose the capacity of this plant were such as to produce more than half—and I think the calculations are that running it at capacity it would produce something more than half, and that it would perhaps produce enough for all the requirements—then the Senator would not insist that we should carry a duplication of our load in the dead-weight of imported nitrates, would he?

Mr. McNARY. I beg the Senator's pardon; I did not hear that inquiry.

Mr. SMITH of South Carolina. I say, the Secretary of War said in the very language the Senator read that if the plant should produce only half of what was necessary, then it would be necessary for us to carry half. Now, suppose the plant were sufficiently developed that upon running it to full capacity it were found that it would produce practically sufficient for the use of the Army.

Mr. McNARY. The Senator must admit that there is no testimony of that character, as I recall the hearings. For instance, at page 18, continuing, the Secretary said:

Of course, the committee will understand that the War Department does not feel that it would be safe in reducing its stock of 300,000 tons of nitrate to 150,000 tons upon any other condition than that the possibilities of this plant for emergency reliance is kept constantly available.

Mr. SMITH of South Carolina. Yes.

Mr. McNARY. Now, he never at any time said that we could sell all the nitrates, and deplete the amount on hand, and rely upon this plant giving us a safety quantity.

Mr. SMITH of South Carolina. No; neither do I; but I think it would be good business, I think it would be a wise provision, if we were so to amend the amendment proposed by the Senator that the Secretary of War would be authorized to use so much of this stored nitrate as in his judgment was necessary, and not jeopardize our necessary reserve store, because if we are going to defeat the legislation, let us defeat it and not make it impossible by amendments.

Mr. McNARY. I do not think it is the purpose of those who are befriending the bill, and have supported it, to defeat the measure.

Mr. SMITH of South Carolina. No; I do not think so.

Mr. McNARY. The \$8,000,000 which this nitrate could be sold for now would do the same work that \$12,000,000 would have done last year, when the hearings were had, on account of depreciation and loss.

Mr. SMITH of South Carolina. I am hoping that that may be true.

Mr. McNARY. In other words, is it not true, if the nitrates have fallen, that all other articles and elements which enter into the availability in the operation of this plant have also fallen, and that your liquid capital to-day of \$8,000,000 would do as much as \$12,000,000 a year ago, when nitrates were just as high, relatively, as every other element?

Mr. SMITH of South Carolina. If the Senator will observe, the proposed capitalization is \$12,500,000, and it is provided that 5 per cent shall be earned on it. It seems as if the amendments up to the present have been such as to make it obligatory upon this corporation to issue \$12,500,000 worth of capital stock, and that they shall earn 5 per cent on it. Then the Senator offers this amendment, which would make it impossible to capitalize at \$12,500,000, and therefore make it impossible for the corporation to carry out the previous mandates which lay upon this corporation.

If it were possible to so amend the bill that the \$12,500,000 capital stock should be paid upon the condition that so much was necessary to put into operation the intent and the purpose of this bill, the contention the Senator has made would be a proper one, because, as he said, if nitrate goes down, maybe the cost incidental to putting this corporation into proper shape might go down, the two going together. But if you make it obligatory upon them to raise \$12,500,000, and then make it impossible for them to raise it, except by coming back to Congress for an additional appropriation whether it was needed or not, you have blocked the whole thing.

Mr. LENROOT. Mr. President—

The PRESIDING OFFICER. Does the Senator yield to the Senator from Wisconsin?

Mr. SMITH of South Carolina. I do.

Mr. LENROOT. It is not obligatory upon the corporation to issue \$12,500,000 worth of stock. The Senator must know that. That is merely a maximum. By the amendment I have offered they will not be permitted to issue more than the proceeds of the sale of this nitrate, and it is only on that that they would be called to pay a dividend of 5 per cent.

Mr. SMITH of South Carolina. Does the Senator make that statement in the light of the amendment introduced by the Senator from New York [Mr. WADSWORTH]?

Mr. LENROOT. No; that is the bonds the Senator is thinking of. This is the capitalization of the plant itself.

Mr. SMITH of South Carolina. I was not paying very strict attention to that portion of it. But I think, Mr. President, if it is not necessary to raise \$12,500,000, and if it should so transpire that the depreciation in the nitrate of soda would not cause a like diminution in the necessary capital stock, I would have no objection at all to the amendment of the Senator from Wisconsin. But if we are going to require them to have a capital stock of \$12,500,000, and then make it impossible for them to realize that, and they will have to have subsequent legislation to realize it, what is the use of passing legislation at all? The whole thing resolves itself into that, and I do not see why we might not amend the proposition of the Senator from Wisconsin and leave it at the discretion of the Secretary of War as to how much of this nitrate he shall dispose of, provided, however, that the amount retained shall be adequate for the necessary reserve. For that I would vote, and it seems to me that that would be a proper amendment to his amendment.

Mr. LENROOT. Mr. President, up to the time of the offering of this amendment it had been represented before the committee, and it had been represented upon the floor of the Senate, that the capitalization of this corporation would not require any appropriation from the Treasury of the United States. It had been represented that really it would cost the United States

nothing, because the operation of the plant would permit a decrease in the reserve supply of nitrate of soda of 150,000 tons, and the proceeds of the sale of that 150,000 tons would furnish the necessary capital for the corporation, and there would be no call of any kind upon the Treasury of the United States for capital.

Now, Mr. President, the moment I embody that representation in an amendment, for the first time the proponents of the bill run away from their own proposition, and for the first time admit that it is their intention to call for appropriations, either directly or indirectly, out of the Treasury of the United States to capitalize the corporation.

Mr. UNDERWOOD. Will the Senator yield for a minute?

Mr. LENROOT. Certainly.

Mr. UNDERWOOD. I made a speech a while ago against the Senator's amendment. Has the Senator ever heard me make any such statement as he has just attributed to this side? Can the Senator point anywhere to the record where I have ever made the statement that this was not necessary?

Mr. LENROOT. I may be mistaken as to the Senator from Alabama, but, as I recollect it, it has been stated, I had supposed by everyone who has spoken upon the subject, that the capital of the corporation was to be provided out of the proceeds of the sale of this nitrate of soda.

Mr. SMITH of South Carolina. That is a different proposition.

Mr. UNDERWOOD. It is a different proposition. Of course, it will be so provided if that amendment is adopted.

Mr. LENROOT. Very well; the Senator admits that. Then I go another step. All the testimony of the experts in support of the bill was to the effect that a reserve supply of nitrate of soda of 300,000 tons would be necessary if we did not have this plant in operation; and that if we did have the plant in operation a reserve supply of only 150,000 tons would be necessary. All the testimony of all of the officers of the War Department was to the effect that with this plant running in full operation it would be necessary to have a reserve supply of 150,000 tons.

What is the position of the Senator from Alabama? As I gather from his speech, it is that the Secretary of War shall reduce that reserve supply to whatever amount may be necessary to raise \$12,500,000; is it not?

Mr. UNDERWOOD. Either I make myself very badly understood or the Senator does not listen to me when I speak; and I do not blame him for not listening.

Mr. LENROOT. I have listened.

Mr. UNDERWOOD. What I said was that under the amendment reported by the committee it would take about two-thirds of this nitrogen supply, sold at to-day's prices, to make available the \$12,500,000 they want as working capital, instead of taking half of it, as they did last year; that the amendment, as it stands, leaves that discretion in the officers of the War Department; and I felt that there was no danger that they would exercise the discretion so that they would in any way endanger the defense of the Government. Therefore, I think it advisable to leave the bill alone, and not put this limitation in it. That is what I said.

Mr. LENROOT. Mr. President, I am surprised that the Senator's construction of this amendment is that there is any discretion in the War Department. It seems very clear that the bill provides for a subscription to the capital stock of this corporation. The Senator takes the position that it is the intention of this proposed law to get the money to pay for it into the hands of the corporation. The only means provided is through the sale of this nitrate of soda, and when one remembers that under the Army reorganization act, where the strength of the Army, it was provided, should not exceed 280,000 men, and the War Department was authorized to enlist that number, the Secretary of War regards that to-day as a direction. It is doubly true that when it is provided that the United States shall be liable, and the means are provided to meet the liability, the Secretary has no discretion other than to sell such amount of nitrate of soda as may be necessary to raise \$12,500,000, and it just comes to this, he would do it, and then he would immediately ask for appropriations from Congress to buy nitrogen, in order to increase the supply of nitrogen to 150,000 tons.

Mr. UNDERWOOD. Will the Senator yield for a moment?

Mr. LENROOT. Yes.

Mr. UNDERWOOD. The Senator interests me very much. I have not discovered the name of the new Secretary, who is going to do these things this way. Of course, it would not be done that way under the Democratic Secretary who is now in power.

Mr. LENROOT. It would not?

Mr. UNDERWOOD. But we know it will not be effective until the new administration comes in, and I would like to have the Senator tell us who this man is. It would be interesting to

the country to know who he is. I suppose the Senator has advance information on the subject.

Mr. LENROOT. No; I said any Secretary of War, because, Mr. President, when our present Secretary of War reads "authorized" as "directed" in a case of clear discretion, no Secretary of War will read "authorized" as conveying discretion in a case where it is plain upon the context that no discretion is intended.

Mr. UNDERWOOD. I will ask the Senator a question if he will allow me. I do not want to interrupt him if I annoy him.

Mr. LENROOT. I yield.

Mr. UNDERWOOD. If the Senator were Secretary of War, would he himself, sitting in that exalted position, exercise this discretion if he thought it endangered the safety of the Government?

Mr. LENROOT. I will answer the Senator very frankly. The responsibility would not be upon me to determine whether it endangered the safety of the Government, because Congress would have determined that question in the direction it gave to me as Secretary of War.

Mr. UNDERWOOD. The amendment says nothing at all about the amount he shall sell. The amendment does contemplate that he shall not sell it if it endangers the Government. Do I understand the Senator to say, notwithstanding that fact, if he were Secretary of War he would go on and sell it up to the danger point?

Mr. LENROOT. Let us see. The Senator is one of the best lawyers in the Senate. Here is an authorized capital of twelve and a half million dollars. Here is a compulsory subscription upon the part of the United States to subscribe for that twelve and a half million dollars. There is no appropriation made out of the Treasury to pay that subscription; but there is a provision that to pay for it the Secretary of War is authorized to sell nitrate of soda. The Senator says it is the intention of this bill to provide the money. What he complains about in my amendment is that he says it does not provide the money. He says that twelve and a half million dollars will be provided under the amendment of the committee, and there is no way by which it can be provided except to sell so much nitrate of soda as will raise twelve and one half million dollars. Will the Senator tell me how this twelve and a half million dollars is to be raised under the bill, except by selling such an amount of nitrate of soda as may be necessary to raise it?

Mr. UNDERWOOD. Certainly. I just said in my opening remarks that it could not be gotten any other way. But I also contended that it was in the discretion of the Secretary of War to sell it—as it is—and that he is not going to sell sufficient of it to bring the Government in danger, because it is in his discretion.

I do not agree with the Senator. If I were Secretary of War, and it came down to the question of either supplying this corporation with its working capital and thereby endangering the safety of the Government, or not doing so, I would not sell it under those circumstances. That would be my position in the matter, and I think that would be the position of almost any Secretary. I do not agree with the Senator at all about it. Really, as a matter of fact, if the Senator himself were acting as Secretary of War, and this bill came before him, I do not believe the Senator would endanger the Government by selling its nitrate supply to a point where we did not have sufficient available to take care of us.

Mr. LENROOT. But the Senator knows very well that under these provisions he could sell it down to nothing, and then immediately demand an appropriation of Congress to buy nitrate back from this very factory.

Mr. UNDERWOOD. I admit he could sell it to the extent of \$12,500,000. He would be limited to that, and that would take about two-thirds of it. He could do that. But that is not the question. It is the difference between "could" and "would," and I say he would not.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LENROOT. I yield.

Mr. McNARY. I think we will all agree that the Secretary, in making his estimates before the committee, was very conservative, and when he stated that the amount should not be reduced under 300,000 tons, and that 150,000 tons of Chilean nitrate should be retained, and added to that 150,000 manufactured by this plant, then we must say that the amendment of the Senator from Wisconsin conforms to the judgment of the Secretary of War. If he is going to use his discretion to preserve the safety of the public, unquestionably the adoption

of the amendment of the Senator from Wisconsin would be harmless and it would be conformable to the judgment of the Secretary of War.

Mr. UNDERWOOD. I do not see where the amendment proposed by the committee does any harm, and I do see where the amendment of the Senator from Wisconsin may seriously hamper the amount of working capital for the corporation. Of course, it may or it may not.

Mr. LENROOT. May I ask the Senator a question? If the Secretary of War concludes, in accordance with the Senator's idea of discretion, that he should not sell more than 150,000 tons, the same amount that is provided in my amendment, where is the corporation to get the full amount of the capital which the Senator says is absolutely necessary?

Mr. UNDERWOOD. Of course, if the Senator is offering the amendment to kill the bill, that is a different proposition. It may have that effect. Possibly the Senator's amendment might carry out his suggestion, and if we adopt it, it will so impair the capital that the corporation could not operate. Of course, if we make this a going concern and it is now prepared to make cyanamid, the base for powder, the working capital will not be necessary immediately, and if we make it a going concern, it may accumulate sufficient cyanamid to replace Chilean nitrate.

Mr. LENROOT. Yes; but it will require appropriations out of the Treasury to buy it, will it not?

Mr. UNDERWOOD. No; not necessarily, if the corporation has the money on hand, because we will not appropriate to buy until after it is transferred from the corporation to the Government.

Mr. LENROOT. When it does, we buy it.

Mr. UNDERWOOD. Yes; but that is not necessary now.

Mr. LENROOT. So in some form or other it is the Senator's idea now that it will require further appropriation, directly or indirectly, out of the Treasury of the United States to furnish the capital for the corporation.

Mr. UNDERWOOD. Not at all. Assuming that the plant is running, that we go to war, that we need more than the product of the plant and as much as the 300,000 tons of Chilean nitrate that we are proposing to sell, or the 150,000 tons, which is what the Senator by his amendment proposes to sell—

Mr. LENROOT. Which is what the Secretary of War proposes to sell.

Mr. UNDERWOOD. If that happens and we need that, of course some day we would have to buy it because we would not have enough on hand. That was contemplated in the beginning. But if we make the plant available, we put a non-perishable product in the shape of the factory and its product in the place of a very perishable one in the shape of Chilean saltpeter.

Mr. LENROOT. That is exactly what the Secretary of War said would permit them to reduce by one-half their reserve, because of the fact that the Senator now states, but that they could not safely go below 150,000 tons.

Mr. UNDERWOOD. The Senator in my judgment is confusing his ideas. It has been asserted here, and it was asserted in the hearings, that if they were allowed to sell the Chilean nitrate, at that time of course, they would get twelve and one-half million dollars and no money would be needed out of the Treasury; but that did not say we would not have to appropriate money out of the Treasury if at some time in the future we need 300,000 tons of Chilean nitrate.

Mr. LENROOT. But we would not have to appropriate any money out of the Treasury for the reserve necessary for the United States in time of peace.

Mr. UNDERWOOD. I have never seen that stated anywhere.

Mr. LENROOT. That is stated by Secretary of War Baker in the same language.

Mr. UNDERWOOD. I know what he said about the nitrate factory. Of course, he said that was the reserve in place of the Chilean nitrate.

Mr. LENROOT. Certainly.

Mr. UNDERWOOD. I am going on the assumption the Senator stated awhile ago, that some day we would need more than the reserve of the nitrate factory and would need Chilean saltpeter, and of course we would have to pay for it in that event.

Mr. LENROOT. That has nothing to do with the capital of the corporation, as the Senator knows.

Mr. UNDERWOOD. Certainly not.

Mr. LENROOT. We are talking about the capital of the corporation, which the proponents of the bill and the War Department say can be furnished without cost to the Treasury of the United States. Now, the Senator admits that the capital can not be furnished without cost to the United States.

Mr. UNDERWOOD. Oh, no. The Senator has a method in debating with me that really causes many interruptions between us. The Senator and I have been friends for a great many years in both Houses of Congress and have indulged in many debates, but in debating the Senator glories in putting admissions into the mouth of his opponent. I wish to say that I do not admit at all what the Senator says I admit. If the Senator wishes to say that he reaches that conclusion from my argument, of course, that is proper, but I insist that I do not admit any such thing.

Mr. LENROOT. Then I desire to get the Senator's position. Assuming that the War Department shall maintain that 150,000 tons of nitrate of soda are necessary as a reserve, assuming that they have the discretion that the Secretary of War thinks they have, and he refuses to sell more than 150,000 tons of nitrate of soda, what is the corporation going to do for the balance of its capital?

Mr. UNDERWOOD. I do not think there is any doubt about it. If they were correct in saying that the corporation would need a working capital of \$12,000,000 and the Senator by his amendment cuts off the available source to get the \$12,000,000—

Mr. LENROOT. Will the Senator please answer my question? If the discretion is exercised that 150,000 tons of reserve is necessary, then where is the corporation to get its reserve capital?

Mr. UNDERWOOD. If the Senator will allow me, of course, I can not answer in the Senator's way; I have to answer in my own way.

Mr. LENROOT. But the Senator was stating a different premise. That is my objection.

Mr. UNDERWOOD. If the Senator assumes that they can not get it out of this supply of nitrogen, of course it is apparent that they would have to come to the Treasury of the United States to operate. But I say they can get it out of the nitrate, and they will get it without danger to the country, if the Senator will leave them alone and give them an opportunity to get it. That is why I am opposed to the Senator's amendment, because he proposes to take away the opportunity for them to get their working capital without going into the Treasury of the United States.

Mr. LENROOT. In making that statement the Senator from Alabama opposes the opinion of every representative of the War Department, while I am taking their opinion.

Mr. UNDERWOOD. I do not think so, but that is merely a difference of opinion between the Senator and myself.

Mr. LENROOT. Well, Mr. President, it comes down to this, that we either have to reduce the reserve below the point of safety, as testified to by all the representatives of the War Department, including the Secretary of War himself, or else the difference has to be paid out of the Treasury of the United States. That has not been the basis upon which support has been asked for the bill. While the Senator from Alabama may not have said so, it has been constantly repeated that the passage of the bill would not entail any burden upon the Treasury for the furnishing of the capital stock. It is apparent that it will, and if it does not and the Senators favoring the bill are willing that the Treasury of the United States shall not bear the burden, they ought not to object to the amendment which I have proposed.

On the amendment which I have proposed I ask for the yeas and nays.

Mr. GRONNA. Mr. President, I shall not delay the Senate very long. I did not hear the full argument of the Senator from Wisconsin [Mr. LENROOT], because I happened to be out of the Chamber temporarily, but I asked the question before I stepped out if this amendment was not in conflict with the amendment just adopted by the Senate. I understood the Senator to answer in the negative. If I understand the English language, it certainly changes the capital that may be invested by the Government.

The amendment of the Senator from New York [Mr. WADSWORTH] provides, and I read from the amendment just agreed to:

The capital stock of the corporation shall consist of 125,000 shares of common stock, at the par value of \$100.

If my calculation is correct, that would be \$12,500,000, would it not, may I ask the Senator from New York?

Mr. WADSWORTH. Certainly.

Mr. GRONNA. The Senator from Wisconsin then offers this amendment to another paragraph of the bill:

Provided, That not more than 150,000 tons of such nitrate of soda shall be sold, and the subscription by the United States to the capital stock of the corporation created by this act shall not exceed the proceeds of such sale.

That simply means that the capital shall not exceed the amount of the proceeds of the product of 150,000 tons of Chilean nitrate. If the product is worth only, say, \$60 a ton, that would be \$9,000,000. That is the maximum which can be contributed by the Government of the United States if the amendment of the Senator from Wisconsin is agreed to.

I am not taking the position now that we should sell all the supply of Chilean nitrate on hand, but I do say that we ought not to hamstring the officers of the Government in permitting the business to function if we are to set it up at all. If the plant is worth saving and is worth operating at any time, it seems to me we ought to give full authority to the officers of the corporation, who would be the officers of the War Department. It would be an agency of the United States, and if we can not trust such an agency with a sufficient amount of capital to carry on the business, then I say, do not let us continue the plant at all.

It has been stated and restated that plant No. 2, built by the Air Nitrates Corporation or Mr. Washburn at Muscle Shoals, is a completed plant. I do not think that anyone will deny that it has been shown beyond a question of doubt that the plant is as good a plant as can be found anywhere on the face of the earth. Has there been extravagance? Yes. I should like to have some Senator point out to me any large business that has been carried on during any war where extravagance and waste have been eliminated. Senators know as well as I do that we can not eliminate waste during war. Senators know as well as I do that when we were at war everything was turned over to certain agencies of the Government, and I do not say that they are to blame because there has been waste. They were anxious to complete any project or anything they undertook to do in a hurry. That is true of the Muscle Shoals plant. I do not know anything about what the plant could have been built for in normal times, but I think it is fair to assume that the plant could have been built perhaps for one-half or possibly one-third of what it cost us to build it during the time of war.

But, Mr. President, that is not the question involved in this particular bill. Senators have been holding up a phantom to the Senate and to the country, just as if the Committee on Agriculture, having had this bill in charge, are responsible for what has been wasted and what has been spent during the time of the war.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. Yes.

Mr. SMOOT. Does the Senator from North Dakota have reference to the steam plant?

Mr. GRONNA. There is only one plant at Muscle Shoals that is completed, and that is No. 2, I will say to the Senator from Utah.

Mr. SMOOT. That is a steam plant?

Mr. GRONNA. Yes. The Senator has cited that as much as any other Senator and has tried to link up the expenditure on Muscle Shoals with the expenditure on plant No. 2; but the Senator heard this morning the statement of one of the most noted men in the country, a man whose authority is not ordinarily obtained on questions of this kind; he heard the statement of Col. Cooper, who said that the expenditure of \$43,000,000 on the dam of which I am now speaking at Muscle Shoals was a good investment.

Mr. SMOOT. Yes; for water power.

Mr. GRONNA. If the Senator will wait until I complete my statement, I will yield to him. Col. Cooper said that all that was required was \$43,000,000 for the completion of the dam for the primary power of 100,000 horsepower, and which could be sold at the dam at \$15 per horsepower, which is cheaper than any power that the Senator from Utah or any other Senator can name. By adding \$7,000,000 more to the \$43,000,000, making the amount \$50,000,000, the dam can be completed for the production of primary and secondary power to the extent of 550,000 horsepower.

What else did Col. Cooper say in the presence of the Senator from Utah? He said that the minimum the Government would receive would be 5 per cent on the investment of \$50,000,000; that the plant was as good as gold; that the investment could be realized on; that the \$50,000,000 could be obtained and paid back into the Treasury at any time. Does the Senator from Utah deny that statement?

Mr. SMOOT. Col. Cooper did not say that the amount could be put back in the Treasury at any time.

Mr. GRONNA. He did not use the language "could be put back," but he did use the language—perhaps the Senator has the statement—that it could be sold for and was worth \$50,000,000 at any time.

Mr. SMOOT. He said that within a given length of time the Government could realize 5 per cent on its investment.

Mr. GRONNA. That was the minimum.

Mr. UNDERWOOD. If the Senator will allow me, Col. Cooper also said that the Government could amortize the loan and get all its money back.

Mr. SMOOT. This is what he said later, not as to the first lease that was being offered, but if there were a re-lease, then, he thought, if he had anything to say about it, it could be amortized and the money paid back.

Mr. UNDERWOOD. He said very distinctly that it could not function fully for 10 years.

Mr. SMOOT. Yes; and that the power itself could not be sold before the expiration of that length of time.

Mr. UNDERWOOD. He also said there was no doubt, in his judgment, that the Government could realize 5 per cent on a valuation of \$50,000,000, and a sufficient additional amount could be raised to amortize the Government investment and return it all to the Government in a period of years.

Mr. SMOOT. Will the Senator from North Dakota yield further?

Mr. GRONNA. I yield.

Mr. SMOOT. What I said yesterday was that this was a water-power proposition pure and simple, and in my own time I will read the testimony of Col. Cooper. The Senator from North Dakota heard him testify this morning that the water power was the only thing worth considering. He also stated that, so far as he was concerned, he would not think of advocating the manufacture of fertilizer on the part of the Government.

Mr. GRONNA. I had not reached that point yet, I will say to the Senator from Utah, but I was calling attention to the fact that the Senator from Utah and other Senators have been holding up the Muscle Shoals project as a tremendous steal and contending that this was a bill which indirectly was to carry out that project and make it possible to let that stealing continue and be consummated.

Mr. SMOOT. No, Mr. President—

Mr. LENROOT. Will the Senator yield to me for a question at that point?

The PRESIDING OFFICER (Mr. HARRIS in the chair). To whom does the Senator from North Dakota yield—to the Senator from Utah or to the Senator from Wisconsin?

Mr. GRONNA. I will yield in just a moment. I have stated, and I repeat, that I do not think anyone who wishes to be fair can charge that this measure has anything to do with the water-power project. The Government of the United States has expended upward of \$80,000,000 for the plants at Muscle Shoals, and it happens that plant No. 2 has been completed. That plant is complete for the manufacture of cyanamid, and with small additional expense can be expanded to accomplish the result desired. No one knows exactly what that expense will be; there is not a Senator on the floor who knows, for I have not heard two men who agree exactly what is necessary to be expended to change the character of the plant so that it may be fitted to manufacture sulphate of ammonia. Dr. Ernest Kilburn Scott, who is one of the great authorities on these matters, an Englishman, a man who is recognized as being among the six greatest engineers in the world, made a statement which I heard, urging that the Government should go on with this plant. He stated that it was possible to add to it the art process for manufacturing nitrate of soda. Dr. Scott stated, referring to this particular plant under discussion and to the particular water power proposed to be developed, "We do not know what the possibilities are." Then he called attention to what the older Governments are doing—to the Governments of Germany, Great Britain, and Australia, the last of which has set up a plant of its own. The Senator from Wisconsin yesterday charged that no Government had erected such a plant. If the Senator will examine the testimony he will find that Australia has set up a plant for the manufacture of this product.

Mr. LENROOT. Mr. President—

Mr. GRONNA. I yield to the Senator.

Mr. LENROOT. The Senator must not misquote me. I never made any such statement. The Senator from Kentucky [Mr. STANLEY] said that every other government had undertaken such enterprises and I quoted from the hearings before the Senator's committee to show that Germany had not done so.

Mr. GRONNA. If I am not mistaken, the Senator made the statement that no government had done so.

Mr. LENROOT. No; the Senator from North Dakota is mistaken.

Mr. GRONNA. Then, it was the Senator from New York who made the statement; it was one of the two Senators.

Mr. WADSWORTH. May I straighten out my own record on that matter?

Mr. GRONNA. No; the Senator can do so in his own time.

Mr. SMOOT. Then I also will take my own time.

Mr. GRONNA. I wish to conclude. I shall occupy the floor but a few minutes. I believe, however, I am correct in stating that either the Senator from New York or the Senator from Wisconsin stated, in substance, that no other government had undertaken to set up a government plant for the manufacture of nitrates or the manufacture of fertilizer.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. GRONNA. I will yield.

Mr. STANLEY. I understood the Senator from Wisconsin to state that the German Government was not making cyanamid and had no control of any cyanamid plants. I call his attention to an article in the Washington Post of September 2, reading as follows:

GERMANY OFFERS UNITED STATES NITROGEN—HOPES SALE OF 50,000 TONS HERE WILL RAISE EXCHANGE RATE.

The German Government has released 50,000 tons of nitrogen made from the air for exportation at once, export duty free, to America. This information was received yesterday by the Bureau of Foreign and Domestic Commerce.

The German Government hopes, it was stated, that sale of this nitrogen will help raise the rate of German exchange. In spite of high prices and heavy taxes deposits in German savings banks are increasing.

It should be noted that the commercial fertilizer form in which this nitrogen is proposed to be shipped free of duty is ammonium sulphate, and 50,000 tons of nitrogen will equal 250,000 tons ammonium sulphate, and ammonium sulphate competes with Chilean nitrate. So Germany proposes to send us 250,000 tons of ammonium sulphate produced at her war-built air-nitrogen plants and free of export duty.

Mr. WADSWORTH. I am sure the Senator from North Dakota will permit me to state—

Mr. GRONNA. I yield to the Senator from New York, for I do not want to be guilty of discrimination.

Mr. WADSWORTH. I simply wish to say that the German Government has control over the exportation of any and all commodities produced inside of Germany. They have permitted the commercial interests of Germany to export the stuff which those interests have made, but the Government did not make the stuff.

Mr. STANLEY. Does the Senator mean to state that the German Government is not in practical operation and control of the plants producing this material?

Mr. WADSWORTH. I do.

Mr. STANLEY. Are they controlled by a cartel?

Mr. WADSWORTH. They are controlled by committees of people engaged in the business.

Mr. STANLEY. And those committees are composed of representatives of the German Government, representatives of the various States of Germany, and the only individuals outside of the Government who are not on those committees are three representatives or five—I forget which—out of 23 or 24 who are sent to represent the producer.

Mr. SMOOT. Mr. President, will the Senator from North Dakota yield to me?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. I yield.

Mr. SMOOT. The Senator does not mean to say that the German cartel manufactures goods in Germany. The cartel controls the exportation of all goods from Germany, whether steel or nitrates or any other products. The cartel consists of representatives from the different States in Germany, but Germany does not manufacture the goods controlled by the cartel. As the Senator from New York has well said, Germany does not manufacture the nitrates referred to in the article quoted by the Senator from Kentucky, but they were manufactured by private concerns in Germany. So far, however, as the exportation of goods out of Germany is concerned, the cartel has some power over such matters to decide where the goods shall be shipped and for what they shall be sold.

Mr. STANLEY. I simply asked the Senator if the product was controlled by a cartel, and in that event, whether the title of the property may be in the cartel or not, I maintain it is practical Government control, whether the commodity be steel, nitrates, or anything else. I think I know something about the cartel.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. I yield.

Mr. KING. I should like to say, by way of modification or qualification of the statement made by the Senator from New York and by my colleague, that the reparations commission

really controls the exports and imports of Germany; that is to say, that Germany is bound by the Versailles treaty, and, under the terms of that treaty, the reparations commission and other commissions determine largely the question of exports and make allocation of the same. I may say further, in reply to the Senator from Kentucky, that we have not been in the habit recently of looking to Germany as a very safe guide to determine the conduct of this Republic.

Mr. GRONNA. Mr. President, I attempted in my feeble way to call attention to the testimony of Col. Cooper. I do not believe that any man who knows Col. Cooper or knows anything about his great work will contend that he does not know what he is talking about. It is true, as the Senator from Utah has intimated, that Col. Cooper is not in favor of the Government manufacturing fertilizer. I do not know that he is in favor of the Government manufacturing anything, but he is in favor of the Government building and completing the dam at Muscle Shoals and owning and operating it.

Mr. SMOOT. Mr. President, will the Senator tell the Senate why he is in favor of it and for what purpose he is in favor of it? What does Col. Cooper testify to as to the real reason why he favors this dam being built?

Mr. GRONNA. I will say to the Senator from Utah that the statement Col. Cooper made was substantially this: I asked Col. Cooper if I understood him to say that it would be safe for the Federal Government to invest \$50,000,000 and that the Government would get not less than 5 per cent interest on that investment, and he stated and restated that it would, and he further stated that 5 per cent was the minimum; and he said more than that, that it would be worth \$10,000,000 to the people of the South or to the people in those localities.

Mr. SMOOT. The public utilities of the seven States; it would be worth that much to them.

Mr. GRONNA. But the Senator will please not say that I said "public utilities." I will come to that; he said it was worth \$10,000,000 to the people of the country, and then it would pay a dividend of not less than 5 per cent upon the investment of \$50,000,000. The Senator from Utah and the Senator from Alabama asked where this power would be sold. He said that so far as he was concerned he was in favor of leasing it to public-utility companies; but, Mr. President, the Government of the United States, if it owns the Muscle Shoals Dam when it is completed, will not have to sell or lease that power to the public-utility concerns of the South. It would have the privilege—and no one knows it better than the Senator from Utah—of selling it in any way and to the best advantage that it saw fit; but Col. Cooper did state that it was worth \$10,000,000 annually to the people living all the way from 100 miles to, I think he said, 400 miles away from the power plant.

Mr. President, in the last few days Senators opposed to this bill—and I know they are honest about it—have held out this awful picture to the Members of this body, showing what a tremendous steal there was at Muscle Shoals, and that we must abandon it. The Senator from Utah will not deny that Col. Cooper stated that the Government would lose \$4,000,000 if we abandoned the work now, because of the machinery and the derricks and everything that have been installed in their proper places. That, I say, would reduce the profit which ultimately can be made on this investment, and it would make it cost \$4,000,000 more if the Government is ever to undertake to complete the project.

Col. Cooper also called attention to the fact—and he showed a most wonderful chart of the dam—that there would be a bridge across that dam worth a million dollars. We are building bridges in the North. We are building bridges in the West. Does any Senator have any objection to building bridges in the South? That million-dollar bridge is included in the \$50,000,000, and that is the maximum amount estimated for in connection with the completion of this dam, both for the primary power and for the secondary power; and just imagine the profit that may be made at \$15 per horsepower, when at certain times of the year there is a possibility of selling 550,000 horsepower. I should think any business man would be safe in making the statement that it would be absolutely certain that the Government of the United States would receive a dividend of 5 per cent upon the investment of \$50,000,000 with those possibilities—and they are not merely possibilities, but certainties.

Col. Cooper stated several times that there was an enormous demand for that power, and he said that unless you should come into competition with coal at less than \$5 or \$6 per ton you could transmit that power from 100 to 400 miles.

Mr. UNDERWOOD. Mr. President, if the Senator will yield to me, I will state that my recollection of Col. Cooper's testi-

mony is that he said this power was available for sale up to the extent of 400 miles with coal selling at \$5 or \$6 per ton, but that when it came into competition with coal that was selling at \$2.50 a ton its power of distribution would be limited to 150 miles.

Mr. GRONNA. Yes; that is as I understood it.

Mr. UNDERWOOD. But based on anything like the present price of coal, he said, the power of distribution would extend 400 miles. I think that is an accurate statement.

Mr. SMOOT. He said that 400 miles was as far as they could carry it?

Mr. UNDERWOOD. Yes; of course, it would be contemplated that the power really would be sold within a much smaller area, but it could go that far.

Mr. GRONNA. That is exactly as I understood Col. Cooper's testimony.

Mr. President, it seems to me that here is a great conservation measure. While, as I stated a day or two ago, I would not want the Government of the United States or even a State government to go into ordinary business, here is a business of such magnitude and of such vital importance to all the people throughout the country that I believe it is not only right but it is good business for the Government to control this tremendously valuable water power. If the Government of the United States can, and it will, receive a dividend of not less than 5 per cent upon \$50,000,000—and we have expended about \$11,000,000 now, and allocated about \$10,000,000 more, I believe—are we going to throw that away, and scrap the plant, as we are trying to scrap this plant No. 2, and for whose benefit? Do you not suppose that private capital will immediately pick up that project and build a dam at Muscle Shoals if the Government of the United States abandons that dam and decides not to have anything more to do with it? Oh, yes; it will not be very long; and you who are so anxious to safeguard the Treasury of the United States and the people's interests, would be willing to turn over to private interests this tremendously valuable water power, which now belongs to the Government—and I say every inch of it belongs to the Government, statements to the contrary notwithstanding. If any Senator wants to dispute that, let him do so now, because it has been whispered in the corridors and throughout this Chamber that this water power was being built on privately owned land. I say it is not true; it is false. I pause for a reply to that.

Mr. SMOOT. I have not heard it.

Mr. GRONNA. Well, there are those who have heard it. I say there has been a picture painted to Senators who have not had sufficient time to study this matter that there were some sinister influences back of and supporting this bill.

I have avoided calling attention to any of the lobbies here. No one treated Mr. Washburn with more courtesy than I did when he was before our committee. I have in my hand documents sent out by him through what is called the Press Service Co.; and it is unfair for Mr. Washburn at this time to make us believe that there is a sinister influence backing this bill, providing that the Government of the United States shall be permitted to go on and manufacture these explosives, so indispensable in times of war and so necessary in times of peace. He knows that those interested in the manufacture of fertilizer and steel, in the by-products of coke, in explosives, in powder, are opposed to this bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GRONNA. Yes.

Mr. McKELLAR. The Senator speaks of those articles that have been sent out from time to time for the last week or two as being articles sent out by Mr. Washburn.

Mr. GRONNA. They are paid for by the American Cyanamid Co. It is admitted. I have it here.

Mr. McKELLAR. Those articles are not signed, and I was just wondering if Mr. Washburn is the real author of them. I think that if such is the case it ought to be known to all the Senators before they vote on this bill, because the mails have been literally flooded with these unsigned documents that have come in practically every morning for the last week.

Mr. GRONNA. I have one here, since the Senator brought up the matter, that is signed. It is not very long, and I shall read it.

[Press Service Co., 25 West Forty-third Street, New York City, N. Y.]

SUMMARY OF FIRST FOUR NITRATE BULLETINS.

In our series of bulletins on the proposed Government operation scheme of the Muscle Shoals nitrate plant (S. 3390; H. R. 10329) we have endeavored to show:

1. That the plant is not going to make fertilizer, but a fertilizer material (nitrate bulletin No. 1, entitled "Muscle Shoals Facts").
2. That it will not relieve the farmers from a Chilean nitrate "monopoly," because the sulphate of ammonia, which it is proposed to make at Muscle Shoals, can not be substituted, in a complete fertilizer,

for Chilean nitrate. (Nitrate bulletin No. 2, entitled "Chilean Nitrate Monopoly.")

3. That there is nothing to be gained by rushing precipitately into this highly financed Government operation scheme, because even if Congress maintains for it a continuous flow of appropriations, the necessary cheap water power from the Wilson Dam will not be available for at least three years; that even the War Department experts consider this water power absolutely essential to low production costs of fertilizer materials at Muscle Shoals. (Nitrate bulletin No. 3, entitled "Wilson Dam and Cheap Nitrates.")

4. That actually the War Department's plan does not contemplate selling anything at all to the farmer, but merely to fertilizer manufacturers and distributors already in the fertilizer business, and, furthermore, only at the market price "as determined by the law of supply and demand." (Nitrate bulletin No. 4, entitled "Facts and Not Fancy About Muscle Shoals.")

The above bulletins have been prepared by the Press Service Co. at the expense of the American Cyanamid Co., and distributed to newspapers and individuals, including Senators and Members of the House of Representatives. Should complete sets or additional copies be desired, they may be obtained by addressing the Press Service Co., 25 West Forty-third Street, New York City.

E. A. MOREE, Manager.

Mr. McKELLAR. What is the date of that?

Mr. GRONNA. I will say to the Senator that, like the rest of them, it has no date.

Mr. McKELLAR. What I referred to was a bulletin such as I have in my hand, marked "Nitrate Bulletin No. 4" and headed "The Press Service Co., 25 West Forty-third Street, New York City, N. Y. Facts and Not Fancy About Muscle Shoals."

Mr. GRONNA. Yes; that is included in this.

Mr. McKELLAR. This does not have any name signed to it. These bulletins have been coming for the past week, without any name signed to them.

Mr. GRONNA. But it is admitted by Mr. Moree that the very document which the Senator holds has been printed at the expense of the American Cyanamid Co.

Mr. McKELLAR. In other words, it is propaganda sent out by this great fertilizer trust to defeat this bill.

Mr. GRONNA. It is admitted that it was sent out at the expense of the American Cyanamid Co., as stated by Mr. Moree.

Mr. President, I come from the far West, representing an agricultural constituency, none of whom have or ever will have any private interest in the dam or in the plants, but a tremendous interest in the proposition of obtaining more and cheaper fertilizer and in the plans and policies which this Government shall pursue in the future with reference to agriculture.

The Senator from New Jersey [Mr. EDGE] spoke very eloquently this morning in opposition to the tariff bill. He comes from a locality where the high protectionists generally rule. But some of us were in the West before there was civilization, before the lands were surveyed, and we had no special privilege. We were given an opportunity to enter 160 acres of land as a homestead, and we advertised to the world for people to come to that territory and be our competitors. It was said by the Senator from New Jersey and some of my fellow protectionists that we do not need, in fact, should not have, the same protection as that given to the New England States, and I can well understand the argument, Mr. President, when I read from an official report from the Department of Agriculture, and when I find that in those States the number of farms have been reduced in some instances to almost nothing. It simply goes to show that they know that there is no profit in agriculture. The Yankee is too shrewd to engage in the business of producing from the soil when the possibilities are so great for him to invest his money and use his genius in something which will pay him better.

I find no fault with that, but I do find fault, and I think I have a right to find fault, with the proposition of Senators that we who labor on the farm shall be treated unfairly, that our products are designated as a raw product, when as a matter of fact it is our highly finished product. It takes more brains to farm and be successful than it does to run the factories of New England; and, Mr. President, this will not be the last day that that matter will be discussed. We hear from the same men that the farmer needs no protection, and that you must have free raw material.

We had before us this morning some manufacturers complaining because the noted chemist, Dr. Alsberg, is advocating a bill which will do away with deceptive packages and containers, and we were told that in some of the cereals like corn flakes, for instance, if you buy a package of corn flakes you will find it contains 8 ounces stamped in very small print, on a tremendously large package, and if you buy half a dozen packages it looks like a load of hay, but you have 3 pounds, and it costs you at the rate of \$56 a bushel, when corn is selling on the farm for less than 50 cents per bushel. I want to know how you people in the East are going to meet that? You are

asking for a higher tariff on your own products and denying the man who is to-day selling his product at less than 50 cents on the dollar. I can prove that such is the condition.

What has this to do with this proposition? Let us see whether it has anything to do with it or not. The Government of the United States owns this valuable water power, where it is possible to create 550,000 horsepower, power which can be sold as low as \$15 per horsepower per year, and then pay the Government of the United States a dividend of 5 per cent on an investment of \$50,000,000, and you are quibbling now about whether we shall permit this great Government to go on with this plant No. 2, which is complete in every respect for the Government of the United States to manufacture its own explosives, both in time of war and in time of peace, and incidentally manufacture fertilizer which can be sold to the farmer at a lower price than he is paying for the fertilizer now. Do you suppose that has anything to do with the interest of the farmer? There is not a Senator here who has spoken against this bill who does not know that the farmer would be benefited by this legislation if it is administered in obedience to law.

I have stood on this floor and called attention to the fact that Congress may enact legislation beneficial to the people and the power may be usurped by some governmental officials so that in the administration of affairs it will not be for the benefit of the people but only of a few of those who are so afraid that the Government of the United States will lose some money.

We have had experience with regard to that recently. You permit me, sir, to get fertilizer at a price cheap enough to enable me to buy it and you put it on my land and I can reduce my acreage 50 per cent and produce more food for the people on half the acreage than I can on double the amount. You say would that be a benefit to the farmer? It would reduce his acreage cost just that much, because it costs as much to cultivate an acre of land with a small yield as it does with a large yield.

I did not want to take the time of the Senate to say what I knew about the possibilities in the West, but do Senators know that we have in my State alone more than seven thousand billions of tons of lignite coal, coal underlying more than 15,000,000 of acres? We strip the soil, and we use the ordinary steam shovel and scoop up with one shovel 6 tons to the minute. We can put that coal on the docks at from 50 to 75 cents a ton. Do Senators wonder why I am anxious to see this research made and this splendid idea developed, making it possible not only for Muscle Shoals to manufacture—no, that is not the only place where fertilizer will be manufactured. It will be manufactured right on the prairies of North Dakota, and you can not compete with us with your water power, because we have no investment cost.

I say to you, and there is not a Senator here who can successfully contradict it, that it will be of immense benefit to the people of the State which I have the honor in part to represent to have this bill passed.

I will not take the time to mention the names of the experts, all high-class men, who have stated over and over again that there is a necessity for research laboratories, and that instead of having half a dozen or two dozen men working in these laboratories we ought to have, as some countries have, 15,000 of them, all paid by the Government, who are actually getting the formulas necessary to manufacture not only cyanamid and fertilizer but dyes as well.

Do you mean to say that the American people do not possess the genius that other people do? That is what you indicate when you are opposing this sort of legislation. By indirection you are saying that those people over there, because they speak a foreign language, or perhaps for some other reason, are to furnish us with these processes. The American engineers and scientists have never been given an opportunity to make the research and to make it possible for the United States to be independent of every other nation on the earth just because Congress has not seen fit in its wisdom to appropriate the money. I do not think that anybody will deny that.

Those few of us who have supported this legislation have been put in the class of these sinister influences who want to expend these tremendous sums of money at Muscle Shoals and on these nitrate plants. We know that there was extravagance during the war in the erection of these plants; and who could help that? Whom are you going to blame for it?

I think it will be admitted that hundreds and perhaps thousands of men gathered at these camps in answer to advertisements sent out by the Government; necessarily so, because everybody was anxious to see that we should provide the soldier boys with explosives necessary to fight a great war. So no one should be blamed. You and I are as much to blame as

the men who directly had charge of the affairs of the Government at that place. And I say do not class those of us who have had the courage—and I weigh my words when I say “courage”—to stand up and vote for a proposition which we know is just and right and which ultimately will benefit all the people of this great country, and link us together with men who are parading the corridors, as you say. I never call attention to that, because I am immune from lobbyists. There is not a man in the United States I would not be willing to talk to if I had the time. I am not afraid of lobbyists. They can not have any influence upon me, because I try to study conditions and use my own brain, small as it may be, and I follow my own judgment. Perhaps very often I am mistaken, but it is not because some phantom has been held up in front of me to scare me.

Mr. President, we know that in the West we shall have to continue to produce bread for the American people. We must do it, even if we do it at a sacrifice, and every year our mortgages are growing a little larger. Just now you eastern people who hold the purse strings are not even willing to buy our mortgages; they are a drug on the market. We increased the rate of interest on our mortgages from 5½ to 10 per cent, and yet you are unwilling to buy them. We are willing to pay that rate just now. We have ruinous conditions staring us in the face; but as the Senator from Iowa said yesterday, are we to be pikers, or shall we manifest a splendid American spirit and say that we will go on and produce bread for the American people regardless of whether it is at a loss or a profit?

Yet Senators are not willing to have us take a step that will make it possible to have a yield of products which will lower the cost. If Senators understand anything, they must admit that that is exactly what they are doing when they are making it impossible for the American people to get this product so indispensable in the production of their crops. The question is a larger one than simply the completing of a plant or the finishing of a plant or the operating of a plant at Muscle Shoals.

Mr. McKELLAR. Mr. President, may I interrupt the Senator?

Mr. GRONNA. Certainly. I have already taken too much time.

Mr. McKELLAR. They are not only doing all that the Senator says, but in addition to that they are willing, in order to carry out their designs, to scrap a plant that has cost the Government already \$85,000,000.

Mr. GRONNA. Yes. In that connection I wish to refer to a man for whom I have only the friendliest feeling, a man whom we all treated most courteously and whom we gave, with his entire staff, all the time he wanted. He is a man of genius and great ability. I doubt if any other man could have done as well as he did. With all his patriotism and his genius he helped the Government to set up the plant. I am not criticizing the expenditure of money now at all, because it was inevitable, I believe, though, perhaps, some of it could have been avoided. But who had the time then to check up with all those people? It was a condition and not a theory. This very man, after the Government of the United States paid all expenses, paid for everything, and said, “we do not want your services for nothing,” but he profited during the war to the extent of nearly a million dollars, and in addition he was to have a quarter of 1 cent per pound, or \$5 per ton, as royalty upon every ton manufactured—I think the Government of the United States did not take advantage of him—this same man has admitted and stated before our committee that the plant is complete and it is the best plant in the country; and yet he, as the Senator from Tennessee [Mr. McKELLAR] has stated, is among those who seem to be willing that the plant should be scrapped. He has also stated that the plant could not be sold at this particular time at any figure.

What are we going to do with the plant? It is admitted by the Senator from Wisconsin [Mr. LENROO], and of course he got the information from the record, that it will cost all the way from \$400,000 to \$500,000 for the simple upkeep of the plant. That has nothing to do with the deterioration of some of the material and the machinery in the plant. It has been stated by some of the experts of the War Department that whether we operate the plant or not, after a certain number of years the most expensive part of the machinery will deteriorate and become worthless. So it is not merely a matter of \$400,000 or \$500,000 of cost of leaving the plant in a stand-by condition, but it may run into millions, and nobody will deny that.

With all these facts—and they are facts, and no honest man will dispute them—is it not better for us to appropriate a small amount to let an agency of this great Government continue to operate and experiment with the plant which is now in a going condition? The amendment of the Senator from Wis-

consin nullifies, to a certain extent, the amendment which the Senate has just agreed to, because that provides for 125,000 shares of stock at \$100 each, or \$12,500,000, and the amendment of the Senator from Wisconsin provides specifically that the capital stock shall only be the amount which may be secured from the sale of 150,000 tons of Chilean nitrate. Is that a fair proposition? Why hamstringing these men, the Secretary of War, or the President of the United States, or any of these patriotic men, who have been operating in the interest of the Government, sitting up late at night, until after the midnight hour, for no extra pay, but simply because they were interested in the project; interested in preserving to this great Government this valuable water power at Muscle Shoals, and interested in having the plant owned by the Government at all times so that we would not be dependent upon this trust—and I do not like to use that term, but it is the only word I can think of—this Chilean nitrate trust which holds in the hollow of its hand the destiny of this country in case of another great war.

Now, let us be fair; do not let us say in one section of the bill that we want 150,000 tons of nitrate sold, which, taking the Senator's own admission that it is worth \$60 a ton, would make only \$9,000,000 applicable for capital stock, when the Senator from New York has offered an amendment, which the Senate has adopted, fixing the capital stock at \$12,500,000. Now we are about to vote on a proposed amendment to make the capital stock only whatever sum as may be secured from the sale of 150,000 tons of nitrate. I think my position in that particular is correct and that no man will deny it.

There are two propositions in the amendment offered by the Senator from Wisconsin. I think the reason why he answered me as he did was because I did not put my question to him in the way that I should. I asked if it would not reduce the capital stock. Of course, I should not have asked the question in that way. I know that it would not, but it would reduce the amount that the Government of the United States could pay into the corporation. If the stock of nitrate should be sold at \$60 a ton the amount paid by the Government could not be more than \$9,000,000, and the corporation could not come to Congress for the deficiency. If the nitrate should sell for only \$50 a ton it would bring \$7,500,000, and that is all the Government could pay toward the capital stock. Is that fair after we have just adopted an amendment saying that the capital stock shall be \$12,500,000 and that the Government shall pay a net dividend of 5 per cent upon half the cost value?

Mr. HEFLIN. Mr. President, I am sorry that all the Members of the Senate are not present. I am sorry that they did not hear the speech of the Senator from North Dakota [Mr. GRONNA], who is the chairman of the Committee on Agriculture and Forestry. The agricultural West and the agricultural South will certainly avail themselves of the opportunity of passing the measure and of seeing to it that the amendments placed upon it shall not destroy the good that is in the bill.

The Senator from Utah [Mr. SMOOT] is very bitter in his criticism of the measure. He made a speech some time back in which he favored appropriating the money necessary to complete the project. He was right then. He is wrong now.

I wish to ask the Senators from the West, who represent the great agricultural section, the grain-producing section of our great country, if they are going to support the Senator from New York [Mr. WADSWORTH] or whether they will support the leadership of the Senator from the great West, who is the chairman of the Committee on Agriculture and Forestry [Mr. GRONNA]? Both Senators are clever Republican gentlemen, but I submit to the Senate that one of them hails from the great grain-growing West and certainly knows what the farmer wants and needs. He himself is a great farmer and has been made chairman of the Committee on Agriculture and Forestry by the Republican Party in the Senate. Here is a measure that pertains to the great agricultural industry and looks to the interests of the farmers all over the country, and here is the chairman of the great Committee on Agriculture and Forestry pointing out the good in the bill and urging his colleagues upon his side of the chamber to support the measure.

But I find some of them, I am sorry to say, following the Senator from New York, who some time back was criticizing the administration for not being prepared when the war came on. No one was looking for war at that time. Now, when the world is in an unsettled state and the war clouds are not all gone from the sky, the Senator himself, chairman of the Committee on Military Affairs, is blocking a movement that seeks to put the country in a state of preparedness for any emergency that might arise.

Will the Senator from New York criticize those in authority for failing to put the country in a state of preparedness back yonder and now, when those in authority are seeking to prevent

a recurrence of such a situation, block them and criticize them for the thing that they are trying to do, to avoid just such a situation as he has criticized heretofore?

Mr. McNARY. Mr. President—

Mr. HEFLIN. I am glad to yield to the Senator from Oregon.

Mr. McNARY. I think the Senator knows from my action in the committee that I am friendly to the general purpose of the bill, but I am impelled at this time to favor the amendment offered by the Senator from Wisconsin [Mr. LENROOT] from the fact that I think it does protect the country in case of a war emergency. I am not following the Senator from New York or the Senator from Wisconsin or a Senator from elsewhere, but I think when the Secretary of War has stated that it would be unsafe and unwise to dispose of this nitrate beyond a certain limited amount, which is provided and recommended by the proposed amendment, to go beyond that is proposing a principle which the Senate should not now attempt to support.

Mr. HEFLIN. I am not criticizing the distinguished Senator for his position. I appreciate the fact that he has shown friendship for the measure. I am not speaking particularly against the amendment; I am speaking about the bill generally in reply to some things which have been said here to-day.

Mr. President, the mails every morning, as has been pointed out, pour in anonymous literature from New York and other points opposing the measure. Why is this propaganda going on? Who are the mysterious men—from somewhere in Wall Street, I presume—who are firing from that great distance upon this meritorious measure, which so vitally affects the farming interests of the country? It seems to me, if I were championing the other side of the cause, I would undertake to stop this thing, or I would, at least, be able to tell this body who these people are and that I was not in any way connected with the situation thus presented.

The Fertilizer Trust is opposing the measure; the cyanamid company, I understand, is opposing it; Du Pont, the powder king, is opposed to it. It seems to me it would not be very hard for Senators who really have friendship for the farmer to know on which side of the measure they should stand.

I submit to Senators from the West that with their support and that of Senators from the South we can pass the bill and insure to the farmers of the country the information they are entitled to have, and that is what it costs to produce fertilizer. The trust holds them up to-day and sells them fertilizer at any price it desires to fix; and when the farmer asks how much does it cost to produce it, they can tell him anything they please, and he does not know any better, but when the Government, through its own plant, goes to the trust magnate, it can tell him "We know what it costs to produce this or that character of fertilizer; the price you are charging the American farmer is exorbitant, and we are not going to permit you to do it." That is why the Fertilizer Trust is fighting the bill. It is fighting it also because it thinks the Muscle Shoals plant will operate to some extent in competition with its product. I submit there ought to be competition with any trust product.

We are told by Senators in one breath that this project can not be made a success, and the sound of those words hardly dies down in the Chamber until another Senator arises and says it can be made a great fertilizer monopoly, and the Government will be in business against private enterprise. One Senator says it will not work; another Senator says it will outwork anything that can be put up against it. Which one of these contentions is right?

I wish again to say to Senators what I have said before, that this great Government, which we all love, and whose highest and best interests we should safeguard always, has expended already on the Muscle Shoals project eighty-odd million dollars. Will Senators throw that eighty-odd million dollars away, or will they go on, as the Senator from Utah [Mr. SMOOR] said in a former speech, and complete the project? He said then, Mr. President, "I am in favor of appropriating whatever is necessary to complete the project." I repeat, he was right then. Now, he wants to wave it aside and say that we are seeking to get something for nothing. Who? This is an American project. It is located on a great stream in Alabama, in the most desirable site on the continent. It is close to the phosphate fields of Tennessee. It is shown that it can manufacture fertilizer, ready to be put into the soil; it is shown that it can manufacture nitrates that would free us from the Chilean monopoly. True, I repeat, such activity would be in conflict with the interests of Du Pont, the powder king, and other great importers of Chilean nitrates. Those people would like to see the eighty-odd million dollars sunk and this whole enterprise junked. However, this Government owns the land around the

project; it owns the power site, and no better power site have I ever seen anywhere. Some of the finest and most costly machinery in the world is there; the great work is going on; it is equipped with barges plying on the river, with mighty cranes, and with every other appliance needed to complete the work. Under all the circumstances, I can not understand the efforts that are being made to kill the pending measure. I do not believe there is a State in the Union that would vote to stop this project if it knew the truth regarding it.

Mr. President, I have been in the Congress for nearly 17 years, and it has been my experience that whenever there is submitted a measure designed to benefit the common mass of the people or looking to the interest of agriculture somebody rises to tell us that we are drifting off into paternalism, that we are about to enact a piece of class legislation, and finally we are told that the bill is unconstitutional. We never hear such arguments made when great special interests, with their shrewd and cunning arguments prepared by the highest and best-paid lawyers in the land, come to railroad through measures in which they are interested. When, however, there are involved the interests of those who have no money with which to pay lobbyists to come and stay here and who can not subsidize any newspapers some one is ready to tell us that the measure is unconstitutional and that we are indulging in paternalism.

This bill provides for the operation of a great American nitrate plant. Let me say to Senators what has occurred in my experience. I led the fight in the other Chamber to secure the passage of a bill granting a permit to the American Cyanamid Co. to build a power dam on the Coosa River in my district. That bill passed this body by almost a unanimous vote and it passed through the House, but President Taft vetoed it. I shall not criticize him in any hostile spirit; I merely express regret at his course, for by that one act he drove out of America a great nitrate plant that would have been in operation when the war came upon us. Where did that plant go? Did it locate in some other section of our country? No, Mr. President, it went beyond our borders and established itself in Canada, on the Niagara River. So we lost a great industry by the folly shown on that occasion.

During the stress and strain of war the Government, under the direction of the President, Commander in Chief of the Army and Navy, said we must have a nitrate plant of our own—where is the best place to build it? It was decided that Muscle Shoals, on the Tennessee River, was the best place, and so the Government went down there and constructed such a plant at great cost and expense. Dams are being built there; they have completed plant No. 2, and that plant is functioning, as evidenced by the fact that we had exhibited in this Chamber some days ago material manufactured at that plant. Yet we are now met with suggestions from Senators on the other side that the project must be stopped.

I wish to ask Senators whence the opposition comes that would seek to prevent America having a nitrate plant of her own? Opposition was strong enough to cause the proposed plant on the Coosa River to be driven into Canada, and opposition in this instance seems strong enough now to cause the chairman of the Military Affairs Committee, who ought to lead in the effort to place this country in an up-to-date condition of preparedness for any emergency, to fight this project in a manner that would indicate his desire to kill it.

I again ask whence the opposition comes? We were about to establish such a plant on the Coosa River, but it was killed, and Canada has that plant to-day. That is one great industry that we lost. We have another great enterprise on which eighty-odd million dollars have been expended, in connection with which we own the land and the power site and which is located at an ideally desirable place and as a part of which one plant has already been completed. We are merely asking permission to go on with the work, but strenuous efforts are being made to kill it outright.

Mr. President, I can not see the wisdom of Senators undertaking to do something that means a loss to this Government of eighty-odd million dollars outright, and that is what it does mean.

This plant at Muscle Shoals was built under great difficulties. The influenza came just at the time these thousands of men were there at work. Many of them were stricken down and many of them died. In the hurry and the stress and strain money was wasted, doubtless; money was extravagantly spent, doubtless; but there is no getting away from the fact that that plant is located at a fine place, a very desirable place; that it is close to the phosphate beds; that it is on a fine stream of water; that it is located at one of the finest water-power sites in

the wide world; and that the Government has spent eighty-odd million dollars on it; and I submit that there is no justifiable excuse for the fight that is being made to destroy this bill.

On yesterday, Mr. President, we spent most of the day fighting over a proposition to recommit the bill after it had been in the hands of the Agricultural Committee for six or seven months, had been thrashed out and gone over, and had been reported favorably to this body. Notwithstanding all that, in the effort to get rid of it in the easiest way possible the enemies of the bill moved to recommit it, which meant that upon reaching the close of this session the bill was to die.

Oh, Mr. President, here is an opportunity, I want to say, and then I am through, to give to this Government a great nitrate plant that will serve its needs in time of war. Here is an opportunity to give to the Government a great fertilizer plant that will aid the American farmer in time of peace. Here is an opportunity to establish a great dam for water power to run both these plants, when the other one is completed, and save to the Government and the people of the United States of their coal supply 6,500,000 tons a year. Here is an opportunity to free the United States Government from its dependence upon Chile, a foreign country, for nitrate in time of war, the most important power in modern war, its explosive power.

I submit that all of these things are very much desired by the Government and by the people of the United States, and I regret to see the Senator from New York [Mr. WADSWORTH], the chairman of the Committee on Military Affairs, who heretofore has been so severe in his criticism of the administration for permitting a state of unpreparedness to exist, blocking the very work that leads to perfect and ample preparedness.

Mr. WOLCOTT. Mr. President, the junior Senator from Alabama [Mr. HEFLIN] in his very interesting remarks dropped one statement that aroused my interest. In speaking of the lobbyists who are fighting this bill—"these people," as the junior Senator called them—he mentioned the "Chilean Nitrate Trust," whoever that may be—I confess I do not know—the American Cyanamid Co., and "Du Pont, the powder king."

Now, I can understand why a fertilizer company would oppose this bill, but I should like to ask the Senator if this "Du Pont powder king," as he is called, has shown his hand anywhere in opposition to this bill? Can the Senator advise me of any activity that the Du Pont concern has shown against this bill?

Mr. HEFLIN. I will say to the Senator that the Du Pont Powder Trust, the Fertilizer Trust, and all the other trusts, are very careful not to show their hands in measures of this and other kinds that come before the Congress.

Mr. WOLCOTT. That introduces a very interesting line of thought, the line of reasoning which was indulged in somewhat the other day by the junior Senator from Wisconsin [Mr. LENOIR]. He charged, as I gathered from his remarks, that the Alabama Power Co. was lobbying for this bill, and when challenged by the senior Senator from Alabama [Mr. UNDERWOOD] to produce his proof the junior Senator from Wisconsin introduced what, to me, was a very novel line of thought—that because the Alabama Power Co. was not here expressing itself, therefore it was fighting for the bill. The Senator from Alabama seemed to adopt that rather novel and, I may say, curious line of reasoning, that the trusts do not appear, and therefore they are opposed to the measure.

Now, I did understand the Senator from Alabama to say in the course of his remarks that the erection of this plant would destroy the "Chilean Nitrate Trust," as he calls it, and that, of course, the powder people, who import Chilean nitrate, did not want to see that trust destroyed. I should like to suggest this thought to the Senator:

The powder people do not manufacture nitrates; they purchase nitrates; and if this bill will result in giving cheap nitrates to the people of the United States, is it not manifest that the powder people, being just as much consumers of nitrate as the farmers, would be delighted to see the bill passed and the cost of nitrates come down, and their great raw material therefore reduced to them?

This is a matter of no great consequence, I know, upon this bill; but the line of thought that was running in the Senator's mind excited my curiosity, and I should like to have it discovered here, just to see how he reasons it out.

Mr. HEFLIN. I have reasoned it out to my entire satisfaction. I may not be able to satisfy the Senator from Delaware.

Mr. WOLCOTT. I have not discovered the Senator's reasoning yet, except as he disclosed it in a brief sentence, and I am asking for it.

Mr. HEFLIN. It seems to me very plain that the chief importer of nitrates from Chile, and who controls that material in

the United States, would not like to throw that away and permit a competitive concern to come across its pathway.

Mr. WOLCOTT. Who is this importer that controls it? Certainly not the powder people.

Mr. HEFLIN. The Du Pont powder concern is one of the largest importers, if not the largest importer, of Chilean nitrates in the United States.

Mr. WOLCOTT. The Du Pont Powder Co. is a purchaser. It does not buy nitrates and sell them to other people to use. If, by reason of the erection of this plant, they can get cheaper nitrates, is it not reasonable to expect that they would like to see the plant operated?

Mr. HEFLIN. If the Senator will permit me, what I was trying to say was that they control this vast amount of nitrates that come into the United States. They are probably the largest importers of nitrates; and having all this material in their hands, what they use and what they sell to others—

Mr. WOLCOTT. Do they sell to others?

Mr. HEFLIN. I do not know.

Mr. WOLCOTT. I can tell the Senator that they do not.

Mr. HEFLIN. They do not?

Mr. WOLCOTT. No.

Mr. HEFLIN. But whether they sell to others or not, if they have a deal on, a contract with the Chilean people to furnish them with these nitrates, they do not want that contract disturbed. They do not know what they would have to pay for the nitrates over here.

Mr. WOLCOTT. If I understand this bill, there is no contemplation at all that the plant, if authorized to be finished and the dam completed, can be producing nitrates short of about two years. Now, if it be true that this powder company is fighting this bill for fear that a contract which it may now have may be injured by the passage of the bill, is it not apparent that it has ample time to take care of its difficulty? Because, under the most optimistic forecast that I have been able to find you will not get a pound of nitrate out of this plant short of two years.

Mr. President, I have heard a great deal of talk about lobbying in connection with this bill.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from Delaware yield to the Senator from Kentucky?

Mr. WOLCOTT. Yes; certainly.

Mr. STANLEY. I do not mean to state anything about the attitude of the powder people, because I do not know; but it is a fact that in case of war this company would cease to manufacture fertilizer and would manufacture explosives, in which case it would be a competitor, of course, with other manufacturers of explosives.

Mr. WOLCOTT. That is very true, Mr. President, if the Government can manufacture powder as efficiently or as economically as the great powder makers; but does not the Senator know that this so-called "Powder Trust" during the war was not afraid of Government competition and thought nothing of it; in fact, it was so regardless of its own business as to build for the United States Government a more modern plant than it itself had, duplicating the Du Pont Powder Co.'s capacity, without one single cent of charge to the United States Government. And yet, in the face of that record, does the Senator think that any man can with any show of reason assert that the Du Pont Powder Co. is coming in here and trying to throttle the proposition of building a nitrate plant for fear that in time of war this powder company, which showed the utmost self-sacrifice and self-denial, would suffer as a competitor?

Mr. STANLEY. Mr. President, I am not charging and did not state that the Du Pont Powder Co. was opposing this measure. I was simply calling the attention of the Senator from Delaware to the statement I understood him to make, that under no circumstances could the Du Pont powder people have any conflicting interest. Now, it is true that as long as they manufacture fertilizer they are manufacturing an unfinished product for the powder company.

Mr. WOLCOTT. Which the Du Ponts would like to buy.

Mr. STANLEY. In time of peace their operations would be beneficial to the powder manufacturer. In time of war this would become an explosives manufacturing concern, and they would be competitors. It does not follow from that, nor do I mean to imply, that the conduct of this or that or the other powder company would be affected thereby, but that is the fact.

Mr. WOLCOTT. The plant would manufacture nitrates in time of war as in time of peace, and it would manufacture a thing that all powder makers want to buy; and if the Government through this plant could make this commodity cheaper, as

it is claimed it can, than it can be obtained from the present sources of supply, it stands to reason that any powder maker would want to see the Government embark in the business, because it could then buy its raw commodity, nitrates, at a lower price.

I started to say—

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Utah?

Mr. WOLCOTT. I yield to the Senator.

Mr. KING. Before the Senator proceeds, if he will permit an interruption, the Senator from Alabama conveyed the idea, as I understood his remarks, that the construction of this plant would destroy the Chilean Nitrate Trust or the Chilean nitrate business. He intimated, if I apprehended him correctly, that the Du Ponts, the powder people, who are large consumers of Chilean nitrates, control the domestic market for the Chilean nitrates. Obviously that is wrong. If the Senator reads the testimony he will discover that there are large deposits of Chilean nitrate in South America, that the Government of Chile is anxious to sell that product, that the owners of it are anxious to sell it, and anybody can buy who desires. The United States Government can buy if it wishes, private individuals can buy if they desire, and in view of the fact that we have so many idle ships I suggest to the Senator from Alabama that it might be a good idea for the Shipping Board to use some of those ships and import the nitrates for the benefit of the farmers.

Mr. WOLCOTT. Oh, yes; one ship arrived in a southern port just the other day carrying 7,000 tons.

Mr. KING. I think the argument adduced by the Senator from Alabama is not founded upon the facts disclosed by the record. It is a fallacious argument, and the nitrates of Chile are available for any person who desires to purchase them.

Mr. WOLCOTT. That is very true, Mr. President, and when the Senator from Alabama, in the course of his remarks, ventured to make his charge that the so-called Powder Trust, as he denominates it, opposed this bill he had no facts on which to base it. He has a theory that if they had a powder contract they probably would oppose it, and, as I said, it is a rather curious line of thought that, in view of the fact that they could buy their nitrates cheaper, therefore they would oppose it.

Mr. President, I started to say a moment ago that I have heard a great deal of talk about lobbying against this bill. The Senator says his mail is flooded with anonymous communications from some source. I want to say my own experience is that I have not received a single communication at any time from anybody about this bill, for or against it.

I have seen one gentleman who has been rather persistent in seeking interviews against the bill, and I have talked with him somewhat. He comes from I do not know where. I never knew him until the other day, when I saw him in these corridors. That is the extent of the lobbying that has come under my notice, and if the evidence of lobbying is no more substantial than that submitted here the other day by the junior Senator from Wisconsin [Mr. LEXROO], who talked with respect to the Alabama Power Co., and that submitted to-day by the Senator from Alabama, I want to say that in my humble judgment, which may not be worth much, the evidence is flimsy, utterly untenable, and if I am right, not sufficiently respectable to be entertained for a moment.

Mr. HEFLIN. Mr. President, the Senator has heard Senators say here in the course of this debate that they received these anonymous circulars, has he not?

Mr. WOLCOTT. I heard the Senator say it to-day. I have not heard any other Senator say it.

Mr. HEFLIN. Did not the Senator hear the Senator from North Dakota [Mr. GRONNA] and the Senator from Tennessee [Mr. MCKELLAR] and others during the debate say they had received them?

Mr. WOLCOTT. They may have said it; but I did not happen to be in the Chamber at the time.

Mr. HEFLIN. The fact is that we have received them; I have received them, and others have received them. The Senator from Delaware is the only Senator, so far as I know, who has not received them.

Mr. WOLCOTT. It may be a very curious fact, but it is a fact.

Mr. HEFLIN. I wonder if that can be attributed to the fact that the Senator does live in Delaware, and that they thought there was no use sending him any literature upon the subject?

Mr. WOLCOTT. The Senator may so wonder, if he choose; and I suggest to the Senator from Alabama that it might also be wondered if the Senator's keen interest in this bill is not so much to save the Government in time of war, is not so much

to supply cheap nitrates, below cost, to the farmer, as it is to supply water power in the State of Alabama to supply current to public utilities of the Senator's State?

Mr. HEFLIN. Mr. President—

Mr. WOLCOTT. I do not know why it is that I have not received these communications, but I have not received them.

As to the intimation coming from the Senator from Alabama that there is a telepathic communication between the Du Pont powder people and myself, I want to say to the Senator that I resent it, because the fact of the matter is that I have nothing to expect from those powder people. If I manifested ordinary human feelings, I would oppose them, because they have in politics opposed me. But I shall not sit here and have a great business concern, which made a contribution to this world struggle unequalled by any other private concern on the face of the earth, unjustly assailed as coming here and fighting a measure when there is no shadow of evidence to sustain it. That comes from a Senator from Delaware who is of a political affiliation directly opposed to them, and they have always opposed him.

Mr. HEFLIN. Mr. President, I want to say to the Senator that the reference I made was made in the utmost good humor, and not intended to reflect at all upon the Senator. It was just in reply to the Senator's statement that I had said I had received these circulars, and that others had received them, but that he had not received one that I suggested in a facetious way that the Senator probably did not need them, because he lives in Delaware. But the fact that we can get nitrates now from Chile and that we have some of our own that we want to sell does not take away the force of the point I made, that the manufacture of nitrates by this Government will do away with the necessity for the Government to buy nitrates from Chile, and will enable the Government to manufacture powder for itself, when it would put itself in competition with the Du Pont Powder Co., and my point was that the Du Pont Powder Co., this great cyanamid company, and the Fertilizer Trust are all interested in seeing this measure defeated.

Mr. WOLCOTT. Mr. President, this little controversy going on here is nothing that strikes at the merits of the bill. I perhaps should not have put my question to the Senator, because it amounts to nothing. The bill must stand or fall on its own merits. I do wish to call to the Senator's attention, however, before I take my seat, the fact that the Government is in the powder business already. It makes powder.

Mr. HEFLIN. It produces it on a very small scale now.

Mr. WOLCOTT. It can produce on a pretty large scale, as it did in one of the plants during the war. I think the Senator could get the figures in a confidential way as to what one of these Government powder plants did during the war. Furthermore, the Government had a powder plant with a million-pound-a-day capacity, which was a powder plant erected for it by the Du Pont Co., down in Tennessee. Certainly the motive of protection against Government competition can not be attributed to this powder company which built that plant for the Government, a plant with a capacity to take away from the powder company every dollar's worth of its explosives business if the Government chose to continue in it. They were not afraid of that, nor are they afraid of the competition of the Government plants, or they would not be giving the Government the secret processes they find, as fast as they find them. There can not be anything in the talk that this particular company is opposed to this bill, and I am very much led to the thought that there can not be much in the talk about lobbying generally, because the little evidence I see produced in support of specific charges of lobbying turns out to be so flimsy as not to sustain the charges at all.

Mr. HEFLIN. Mr. President, the Senator said he does not believe all this talk about lobbying. It has been asserted here a number of times that there are lobbyists about the Capitol—

Mr. WOLCOTT. Will the Senator permit me just a moment? I do not want to be misunderstood. I specifically said there was one man who I thought was a lobbyist, because he had sought interviews with me, somewhat to my annoyance, and I have no doubt that there are fertilizer people here who are lobbying, as it is said.

Mr. HEFLIN. Fighting this bill?

Mr. WOLCOTT. Yes; I have no doubt about that. But I am questioning the extent of this powerful influence, all these people who are lurking around here in these corridors. I am questioning the extent of it; that is all.

Mr. HEFLIN. The chairman of the Committee on Agriculture has called the attention of the Senate to the fact that the president of the Fertilizer Association of America has appeared in opposition to this very measure. I called the attention of the Senate to the fact a few days ago that in the Washington Post, in the column called "Chats with Visitors," there was

an interview purporting to be given by one Hampden Norman, registered, they said, at the Willard Hotel, who lived in Memphis, Tenn., who condemned the Muscle Shoals project and denounced it as a failure, stating that money had been wasted on a project which never would be of any value. I charged that he was a fictitious person, and that the interview was a fake, and that he did not live in Memphis, Tenn. We wired to Memphis, and they replied that no such man lives there, and I challenge the opposition to this bill to produce Hampden Norman. Who is that mysterious lobbyist who is filling up the columns of the newspapers with stuff against this bill, and then when you call on those who oppose the measure to produce him they fail? There are lobbyists here, and they are fighting this bill every day.

No man can read some of the reports that go out in the newspapers without seeing that the story is somewhat colored on the side of the opposition to this measure. I do not mean to reflect upon press reporters generally but if Senators will read a few of them they will find that the argument is warped and twisted so as to make a bad impression against this measure. This morning in the Washington Post there was a little report about it, and it told about the Senator from Ohio [Mr. POMERENE] wanting to know whether the farmers were getting a gold brick or fertilizer, and the Senator from Iowa [Mr. KENYON] saying he would be for the bill if it would benefit the farmer, but he was afraid it would not; and the Senator from Utah [Mr. SMOOT] saying that it would not benefit the farmers at all; and just quoting the Senator from North Dakota [Mr. GRONNA] as saying that more fertilizers were needed by the farmers. That is a mild-mannered write-up for the proponents of the measure.

I submit that these lobbyists are encamped about this Capitol, and that money is back of them to defeat this bill. Let the farmers of the country, whose organizations have sent petitions asking Congress to pass this measure, take note of the record vote upon this question and see whether the men who come here from the agricultural South and the agricultural West will forget them when the hour comes to vote, will turn a deaf ear to their appeal, and turn their backs upon their best interests.

Mr. GRONNA. Mr. President, I realize that there is force in the argument made by Senators, and particularly the Senator from Oregon [Mr. McNARY], and I believe that the Secretary of War did say that we ought to have on hand at all times 150,000 tons of nitrate. As I understood him, that would be the minimum amount. In view of that, Mr. President, I desire to amend the amendment of the Senator from Wisconsin, which reads as follows:

Provided, That not more than 150,000 tons of such nitrate of soda shall be sold, and the subscription by the United States to the capital stock of the corporation created by this act shall not exceed the proceeds as such sale.

I move to strike out the language after the word "sold," on line 12, and to insert certain language, so as to read:

Provided, That not more than 150,000 tons of the present supply of nitrate of soda shall be sold—

and to strike out the remainder of the amendment of the Senator from Wisconsin.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the Senator from Wisconsin.

Mr. GRONNA. Mr. President, I trust there will be no opposition to the amendment which I have proposed, because it safeguards the interests of the United States by permitting only the sale of 150,000 tons at this time. The Government will then retain 150,000 tons, which it was stated by the Secretary of War, as the Senator from Oregon [Mr. McNARY] has said, was necessary to keep on hand. But it is unfair to say that the 150,000 tons, regardless of the amount of money it shall bring when sold, shall represent the capital of the corporation and then compel it to pay 5 per cent dividends on half of the cost of the plant, as the language of the bill now provides.

Mr. KING. Mr. President, will the Senator yield?

Mr. GRONNA. Certainly.

Mr. KING. Perhaps I did not quite understand the Senator. My understanding is that the corporation will have all the property involved in the two plants, the steam plant and the other property, which has cost the Government \$80,000,000. Instead of the company having a capital of only \$12,500,000—and I understood the Senator to use the word "capital" as the equivalent of property—it will have property which will have cost \$80,000,000 plus the cash which will be derived from the sale of the nitrates, which will be, as I understand the Senator's position, \$12,500,000, so that the corporation is asked

to pay a dividend upon only one-half of the value of the property which it has.

Mr. GRONNA. That is true, but the Senate has to-day adopted an amendment, proposed by the Senator from New York [Mr. WADSWORTH], providing that the capital shall be \$12,500,000. The amendment offered by the Senator from Wisconsin [Mr. LENROOT] is in absolute conflict with the amendment just agreed to by the Senate. I am not proposing to increase or decrease the capital stock of the corporation. In the interest of fairness I am only saying that if 150,000 tons of nitrate when sold does not bring \$12,500,000, we do not prohibit the Government from using \$12,500,000 as its capital.

Mr. KING. Do I understand the Senator to mean that the corporation is expected to pay dividends only on \$12,500,000, regardless of the value of the property which the Government turns over to it?

Mr. GRONNA. I wish the Senator from New York would answer the inquiry of the Senator from Utah. It is his amendment, and I may not understand it as fully as he does.

Mr. WADSWORTH. Under the amendment which the Senate has already adopted the corporation would be required to pay interest at the rate of 5 per cent on bonds to be issued to cover the property turned over to it to the extent of 50 per cent of its value; that is, the property already completed. If there is any more property turned over to it, it must issue bonds on the basis of 100 per cent of the value of such property, and then it must pay 5 per cent on that.

The Senator from North Dakota has offered an amendment to the amendment of the Senator from Wisconsin, who has gone away for a week. I do not know that anyone is authorized to express the opinion of the Senator from Wisconsin on the amendment offered by the Senator from North Dakota, and I can not do so; but I can take occasion to point out, not only to the members of the Senate who are in doubt about the wisdom of the legislation but also to those who are supporting it, what a difficult position we are in when we come to rewriting the bill upon the floor of the Senate.

Let us see what effect the bill would have if the amendment proposed by the Senator from North Dakota is agreed to. The bill reads now, commencing at line 11, on page 9, as follows:

The corporation shall have the power to issue and sell preferred stock in any amount not to exceed \$12,500,000, of a par value of \$100 per share, such stock to be entitled to 5 per cent dividends. All such stock shall be subscribed by the United States of America, and such subscription shall be subject to call upon the vote of the board of directors of the corporation, with the approval of the Secretary of War, at such time or times as may be deemed advisable. In order to pay such subscription as and when called, the Secretary of War is hereby authorized to sell so much as may be necessary of the supply of nitrate of soda owned by the United States and held as a reserve by the War Department at such prices and under such regulations as may be prescribed by the Secretary of War. All sums realized from such sale are hereby appropriated to the use of the Secretary of War for the purchase of the preferred stock of the corporation.

It will be seen that we have not yet rewritten this section. As it is now it makes no sense. The amendment which the Senate has already adopted is basic in its character and the amendment of the Senator from Wisconsin is, in part at least, absolutely essential to make the thing read sensibly.

Now, the amendment suggested by the Senator from North Dakota would not cure the situation in so far as having language used in the amended section which would have consecutive and logical meaning. I warned the Senate two days ago how difficult it was going to be to rewrite the bill on the floor of the Senate. We are very apt to make a mess of it.

I wish now to take the amendment offered by the Senator from Wisconsin and read it into the section as amended to suit the views of the Senator from North Dakota and let us see if we then have any sense. It is a pretty difficult undertaking and I beg the patience of the Senate while I try to put two or three documents together at once.

The bill would read, with the amendments already adopted in it commencing in line 11, page 9, as follows:

The corporation shall have the power to issue and sell preferred stock in any amount not to exceed \$12,500,000, of a par value of \$100 per share, such stock to be entitled to 5 per cent dividends. All such stock shall be subscribed by the United States of America, and such subscription shall be subject to call upon the vote of the board of directors of the corporation, with the approval of the Secretary of War, at such time or times as may be deemed advisable. In order to pay such subscription as and when called, the Secretary of War is hereby authorized to sell so much as may be necessary of the supply of nitrate of soda owned by the United States and held as a reserve by the War Department at such prices and under such regulations as may be prescribed by the Secretary of War. All sums realized from such sale are hereby appropriated to the use of the Secretary of War for the purchase of the preferred stock of the corporation: *Provided*, That not more than 150,000 tons of such nitrate shall be sold.

Mr. GRONNA. Of the present supply.

Mr. WADSWORTH. Of the present supply. It leaves it all tied up from the Senator's own standpoint.

Mr. GRONNA. It would not prohibit the Government from investing \$12,500,000 in the corporation.

Mr. WADSWORTH. Yes, it would; because there is no appropriation for the balance.

Mr. GRONNA. We would be permitted to make an appropriation, but the adoption of the amendment proposed by the Senator from Wisconsin prohibits us from making an appropriation.

Mr. WADSWORTH. No more so than under the amendment proposed by the Senator from North Dakota.

Mr. GRONNA. I leave that to the lawyers of the Senate. I think we would be prohibited under the amendment of the Senator from Wisconsin.

Mr. WADSWORTH. The proposed amendment of the Senator from North Dakota does not appropriate anything out of the Treasury.

Mr. GRONNA. No; but the Secretary of War would still be empowered to sell more nitrate of soda if he had a new supply, which he will have when the company has for a time manufactured cyanamid and the other explosives which they intend to manufacture at Muscle Shoals.

Mr. WADSWORTH. Then I understand the amendment of the Senator from North Dakota is based upon the theory that the Secretary of War can sell 150,000 tons of nitrate of soda now on hand.

Mr. GRONNA. Of the present supply.

Mr. WADSWORTH. And if that does not produce \$12,500,000, he will go to Chile and get some more nitrate and sell it.

Mr. GRONNA. Oh, no; he will not.

Mr. WADSWORTH. How will he buy any more without an appropriation from Congress?

Mr. GRONNA. He can sell Chilean nitrate if he has more than 150,000 tons, or he can sell nitrate manufactured at Muscle Shoals if he has more than 150,000 tons. Upon the statement of the Secretary of War, brought out by the Senator from Oregon [Mr. McNARY], I felt, if we want to follow his suggestions, that at no time should we have less than 150,000 tons of Chilean nitrate on hand which contains 15 per cent of nitrogen. I think that is very plain and very easily understood.

Mr. WADSWORTH. I wish I could say it was plain. I can not at all. The Senator's amendment provides that the Secretary of War shall not sell more than 150,000 tons from the present supply.

Mr. GRONNA. Yes.

Mr. WADSWORTH. What other supply is there except the present supply?

Mr. GRONNA. But he can sell when the Government has more than 150,000 tons, whether it comes from Chile or from the product manufactured at Muscle Shoals.

The VICE PRESIDENT. The Government can buy some more and then sell it. Is that the idea?

Mr. WADSWORTH. That is the only way. The Government would have to buy more and then sell it.

Mr. GRONNA. That is all right.

Mr. WADSWORTH. If the friends of the measure want to put that in, I have no objection, though it does not make any sense.

Mr. President, I desire to ask the Senator from North Dakota [Mr. GRONNA] if the amendment of the Senator from Wisconsin [Mr. LENROOT] is modified in the way he has suggested, will he then accept the Lenroot amendment?

Mr. GRONNA. I do not know whether it would be satisfactory to the Senator from Alabama [Mr. UNDERWOOD] or not, but, so far as I am personally concerned, I shall be very glad to accept it if it is in the following language:

Provided, That not more than 150,000 tons of the present supply of such nitrate of soda shall be sold.

Mr. UNDERWOOD. I think that would be satisfactory.

Mr. KING. May I inquire for information whether that supersedes the amendment offered by the Senator from North Dakota?

Mr. GRONNA. I would be willing to accept the amendment of the Senator from Wisconsin with that proviso.

Mr. UNDERWOOD. Does the Senator intend to offer that as a substitute for the amendment of the Senator from Wisconsin?

Mr. GRONNA. Yes; as a substitute.

Mr. KING. That is all I was inquiring.

Mr. UNDERWOOD. I think that is satisfactory.

The VICE PRESIDENT. It has been offered as an amendment to the amendment, not as a substitute.

Mr. UNDERWOOD. The result would be the same, I think.

The VICE PRESIDENT. No; the result would not be the same. It was offered as an amendment to the amendment offered by the Senator from Wisconsin.

Mr. GRONNA. Would it be in order for me to withdraw it as an amendment and offer it as a substitute?

The VICE PRESIDENT. Certainly.

Mr. GRONNA. Then I offer, as a substitute for the amendment offered by the Senator from Wisconsin, the following:

Provided, That not more than 150,000 tons of the present supply of such nitrate of soda shall be sold.

The substitute was agreed to.

The amendment as amended was agreed to.

Mr. GRONNA. I offer the following amendment—

Mr. CURTIS. If the Senator from North Dakota will yield, I desire to offer several amendments on behalf of the Senator from Wisconsin [Mr. LENROOT], which it will not take very much time to consider.

Mr. GRONNA. I have had no opportunity to offer any amendments except one.

Mr. CURTIS. Very well.

Mr. KING. May I be permitted to suggest that the Senator from Kansas offer the amendments and let them be printed, so that we can scrutinize them?

Mr. CURTIS. I will withhold them for the present.

Mr. GRONNA. I offer the following amendment. On page 12, line 10, after the word "prescribe," I move to change the period to a semicolon and to add:

Provided, That no officer so appointed shall receive two salaries.

Mr. WADSWORTH. That, I think, affects the same section of the bill to which I have already offered an amendment. While not offered in a parliamentary sense, it is an amendment which has been printed and lies on the table. This brings up the question as to what sort of a structure we are going to have in this corporation. It is another one of the difficulties of rewriting the bill on the floor of the Senate.

Mr. GRONNA. I think it is only fair to say to the Senator that I do not think any man ought to receive more than one salary, and this amendment is in a very brief form, and I think comes in at the proper place.

Mr. WADSWORTH. I was going to move to strike out all the language which would permit two salaries, and also participation by War Department officers in the management of this industrial concern. The Senator proposes to put a proviso on the language that is in the bill. I propose to strike the language from the bill and do a lot more.

Mr. KING. If I may have the attention of the Senator from North Dakota, I will state that in my opinion officers of the Army ought not to be permitted to receive any other salary than their salary as Army officers. I think it would be a bad precedent to permit officers to have a choice, whether to have their salaries as officers or the much larger salary which some corporation may tender them.

Mr. WADSWORTH. I may remind the Senator from North Dakota that this thing is already fixed up. The nitrogen administrator is to get a salary of \$12,000 a year, and the assistant or deputy nitrogen administrator is to get \$8,000 a year, and certain proposals have been made in the scheme which was put up. The only people who testified before the committee were the men who were going to get these salaries. I think the Senator's amendment, while having a most excellent object, would leave it to an Army officer to decide whether he would take his Army pay or the higher civilian salary. I would like to strike out the whole thing.

Mr. GRONNA. If an Army officer has the ability to do the work and it requires the particular skill which he possesses, why should not an Army officer as well as anyone else have an opportunity to fill the position? Under my amendment he can, of course, receive only one salary. There has been complaint, and justly, as to any man receiving more than one salary. My amendment is very plain and can not be misunderstood. It has reference not only to this particular paragraph but to the entire bill.

Mr. KING. Will the Senator allow me to make a suggestion? If we are to permit Army officers to receive the higher salary which the bill proposes to pay because of their supposed particular fitness for the jobs hereby created, what is there to prevent Army officers who are employed in the river and harbor service and in other work for the Government, not fighting, from demanding that they shall be paid similar salaries? For instance, out in my State they are constructing now a large plant. There are a number of officers there superintending its construction. Why should they not receive additional compensation? You would demoralize the service. Every time a man steps out of what might be denominated the fighting line he will claim that he is doing civilian work and should receive civilian compensation.

We have educated these men at West Point and given them advantages under the military law. They have a right to retire. They have other advantages. It seems to me that we are estab-

lishing a very dangerous precedent if we permit military officers or naval officers to go out and get compensation at civilian prices for work in which the Government is engaged.

Mr. GRONNA. My proposed amendment does not permit conditions such as have been referred to by the Senator from Utah. I accept the statement of the Senator from New York, because he knows more about the pay of these men than I do, as the subject comes before the Committee on Military Affairs, of which he is chairman, and he gives to it the very closest attention. Complaint has been made that some of these people have been receiving two salaries. What I want to do is to stop that. Congress can still legislate as to the salaries these men are to receive. If it is the purpose to limit the salaries, that is another proposition.

Mr. KING. My suggestion to the Senator is that this amendment is quite important and will lead to some little discussion. May we not let it go over until to-morrow, and if there are one or two amendments which the Senator from Kansas [Mr. CURTIS] desires to offer that will consume but little time, let us dispose of them and then adjourn or take a recess.

Mr. GRONNA. I withdrew my amendment on yesterday. I would like to have the amendment disposed of. In fact, I believe that we can dispose of the bill this evening.

Mr. WADSWORTH. I warn the Senator that we can not do that unless we sit all night. I have a large number of amendments to offer.

Mr. UNDERWOOD. The amendment offered by the Senator from North Dakota substantially carries out the view—not entirely, but as far as it goes—expressed by the Senator from Utah and the Senator from New York. With this language written in the bill, providing that these men shall not draw two salaries, I can not see any objection to it in the world.

Mr. WADSWORTH. Mr. President, a parliamentary inquiry.

Mr. KING. Will the Senator permit me? My objection goes further than that. I do not think they should be permitted to have any salary other than that which their position in the Army gives them.

Mr. UNDERWOOD. That does not affect the amendment here. I do not understand that the Senator is opposed to the proposition which the Senator from North Dakota offers. If he desires to propose another amendment, that is a different thing.

Mr. KING. I do not wish to be foreclosed from offering any other amendment, because this may be perfecting some amendment, and if it is agreed to as perfected it would deny the opportunity later on to offer another amendment to carry out the purpose which I have suggested.

Mr. WADSWORTH. Mr. President, a parliamentary inquiry. If the amendment of the Senator from North Dakota is agreed to as a proviso following the end of the paragraph, line 10, page 12, will it be in order later on to move to strike out the entire paragraph and the proviso?

The VICE PRESIDENT. On what page?

Mr. WADSWORTH. On page 12, between lines 3 to 10, inclusive.

The VICE PRESIDENT. With the amendment?

Mr. WADSWORTH. As it will be amended eventually?

The VICE PRESIDENT. It will undoubtedly be in order.

Mr. WADSWORTH. Then I have no objection to the amendment of the Senator from North Dakota, but I give notice now that I shall move to strike out the whole thing.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota [Mr. GRONNA].

The amendment was agreed to.

Mr. GRONNA. Mr. President, in view of the statement made by the Senator from New York, it is evident that the bill can not be disposed of to-day. I therefore ask unanimous consent that there may be a reprint made of the bill with the amendments.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Mr. President, I offer the following amendment in behalf of the junior Senator from Wisconsin [Mr. LENROOT].

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 4, at the end of line 4, amend by adding the words "not more than two of such directors shall be appointed from officers in the War Department."

Mr. WADSWORTH. I propose later on to move to exclude officers of the War Department entirely.

Mr. CURTIS. I understand if the Senator's amendment carries it will do away with this amendment.

Mr. UNDERWOOD. I do not think it is objectionable, but we can join the Senator from New York in voting it down if he so desires.

Mr. WADSWORTH. I have no objection to it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Kansas on behalf of the Senator from Wisconsin.

The amendment was agreed to.

Mr. CURTIS. I offer the following amendment for the junior Senator from Wisconsin [Mr. LENROOT], which I ask may be read.

The VICE PRESIDENT. It will be read.

The ASSISTANT SECRETARY. On page 6, beginning in line 12, strike out subdivision (f), as follows:

(f) To enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economical basis.

On a division the amendment was agreed to.

Mr. CURTIS. I offer the following amendment in behalf of the junior Senator from Wisconsin [Mr. LENROOT].

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On pages 7 and 8, strike out subdivision (m), as follows:

(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the Secretary of War to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation, or to enter into agreements with others for the operation of such properties. In the operation, maintenance, and development of the plants purchased or acquired under this act the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

Mr. GRONNA. Mr. President, I can not agree to strike out the entire paragraph. I said on yesterday that I propose to offer an amendment to the paragraph, first, to strike out the words "Secretary of War," in lines 19 and 20, on page 7, and insert the word "President," and then on line 23, after the word "properties," to add the words "not used or needed for the purposes named herein."

Mr. CURTIS. If the Senator wishes I will withdraw the amendment temporarily and offer it to-morrow when there will be more Senators present.

Mr. GRONNA. I merely wish to complete my statement. I also had prepared an amendment with reference to the terms of the lease, but since the Senate adopted the amendment of the Senator from Wisconsin, making the term of the lease the life of the corporation, that of course will not be necessary. However, I do wish to strike out the remainder of that paragraph after the word "properties," in line 23.

Mr. CURTIS. I will withdraw the amendment until to-morrow.

Mr. GRONNA. I will offer my amendment now, so that it may be printed and be on the desks of Senators in the morning. On page 7, line 23, after the word "properties," I move to insert the words "not used or needed for the purposes named herein."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 7, in subdivision "m," after the word "properties," in line 23, insert the words "not used or needed for the purposes named herein," and strike out the remainder of the subdivision, so that subdivision "m," as amended, will read:

(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and, with the approval of the Secretary of War, to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation, or to enter into agreements with others for the operation of such properties not used or needed for the purposes named herein.

The amendment was agreed to.

Mr. HARRIS. Mr. President, on yesterday I withdrew my proposed substitute amendment, because I thought the amendment offered by the Senator from South Carolina [Mr. SMITH] and the amendment of the Senator from Minnesota [Mr. KELLOGG] covered it; but, with the permission of the Senator from South Carolina, I would like to reconsider the action by which his amendment was agreed to and then to add certain words, which I am sure will be satisfactory to him, as I notice in reading that they do not appear in his amendment. After the words "engaged in agriculture," on page 5, line 19, in the amendment of the Senator from South Carolina, I wish to add the words "and it shall be sold to them at reasonable prices." I am sure the Senator from South Carolina will agree to that.

Mr. SMOOT. Then let the Senator offer the amendment to the amendment and have it pending, to be taken up to-morrow morning. However, the vote agreeing to the amendment to which the Senator's amendment is offered will have first to be reconsidered before his amendment can be considered.

Mr. HARRIS. I do not think there will be any objection to the amendment which I desire to offer to the amendment, as it simply proposes to add the words which I have indicated, and I feel sure the Senator from South Carolina and the Senator from Utah will not object.

Mr. SMOOT. I do not know; it is a pretty broad statement which is made, and I do not know what effect it will have upon the bill itself.

Mr. HARRIS. I will offer the amendment to the amendment to be considered in the morning.

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Thursday, January 13, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, January 12, 1921.

The House met at 12 o'clock noon.

The Clerk, Mr. William Tyler Page, offered the following prayer:

O Lord, we beseech Thee mercifully to receive the prayers of Thy people who call upon Thee; and grant that they may both perceive and know what things they ought to do, and also may have grace and power faithfully to fulfill the same. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

INDIAN APPROPRIATIONS.

Mr. ELSTON, from the Committee on Appropriations, reported the bill (H. R. 15682) making appropriations for current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1922, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report, ordered to be printed.

Mr. BYRNS of Tennessee. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Tennessee reserves all points of order on the bill.

MESSENGERS CONVEYING THE ELECTORAL VOTES.

Mr. GOOD. Mr. Speaker, I ask unanimous consent for the present consideration of Senate joint resolution 244, providing for the payment of expenses of conveying votes of electors for President and Vice President.

The SPEAKER. The gentleman from Iowa asks unanimous consent for the present consideration of a joint resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That for the payment of the messengers of the respective States for conveying to the seat of government the votes of the electors of said States for President and Vice President of the United States, at the rate of 25 cents per every mile of the estimated distance by the most usual roads traveled from the place of meeting of the electors to the seat of government of the United States computed for one distance only, there is appropriated out of any money in the Treasury not otherwise appropriated the sum of \$14,000, or so much thereof as may be necessary.

The SPEAKER. Is there objection?

Mr. CLARK of Missouri. Mr. Speaker, reserving the right to object—and I am not going to object—I want to ask the gentlemen a question. Is this going to pay for the whole bunch of presidential electors that they have been talking about bringing here?

Mr. GOOD. This is to pay the messengers required by law who bring the votes from the several States. Under the law, as I recall, one return is sent by mail, and then each State is directed to send a messenger with the vote, and there is a fine of \$1,000 if any messenger refuses to deliver the vote so that it can be canvassed by Congress. This is to pay the traveling expenses of the messengers.

Mr. CLARK of Missouri. They make the return in triplicate. One comes by mail, one by messenger, and the other is filed in the United States court.

Mr. GOOD. Yes.

Mr. CLARK of Missouri. What I want to know is, is this to pay the expenses of this gang of electors that they are talking about having come here for no purpose under heaven?

Mr. GOOD. No; this only pays the fees provided by law for the messengers.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GARD. Reserving the right to object, is there any difference between the mileage compensation provided in this joint resolution and former resolutions?

Mr. GOOD. No; this resolution does not attempt to fix the amount. That is fixed by general law, 25 cents a mile one way.

Mr. GALLIVAN. Mr. Speaker, reserving the right to object—I am not going to object, and as a matter of fact I do not believe that this amount is enough—I wish to say that this is the first opportunity I have had to ask the chairman of the Committee on Appropriations a question. The statement has gone forth to the country that the House of Representatives in the sundry civil bill recently passed has made no provision for tuberculous soldiers of the recent war, or for psychiatric patients, men with mental disorders, and so forth. While the chairman of the Committee on Appropriations has the floor I should like to ask him just what our committee did toward taking care of consumptive soldiers and soldiers with mental troubles, and so forth, and what the House of Representatives did?

Mr. GOOD. The sundry civil bill that recently passed the House carries all of the appropriation that was requested for taking care of 1,000 tuberculous patients at the tubercular hospital at Johnson City, Tenn., where there are only 350 patients now, and 650 vacant beds.

It also carried all the appropriation asked for for taking care of 1,000 mental cases at the Marion hospital. These two hospitals are said by leading scientists and medical men who are informed along those lines to be the best of their kind in the world. The department has sent to neither of these hospitals anything like one-half the total bed capacity. It is true, however, that these hospitals have just been put in commission recently, having been rebuilt. The statement that Congress had not appropriated anything for those soldiers is absolutely and deliberately false.

Mr. RAYBURN. Further reserving the right to object, on the point that the gentleman from Massachusetts [Mr. GALLIVAN] has spoken about, I might further say that as a result of the newspaper talk some people have visited the President elect, and statements are going out through the papers of the country that the soldiers disabled in the recent war are being neglected. I would say further for the RECORD that in their appearance here before the Committee on Interstate and Foreign Commerce the other day on a measure members of the legion stated that they had no objection to the laws this Congress had passed for taking care of soldiers disabled or sick from causes arising out of the war, but their objection went to the administration of the law. I quite agree with the gentleman from Iowa [Mr. GOOD] that the talk going over the country in many newspapers, creating the impression among the people in general that the Congress of the United States not only by appropriations but by law has neglected the soldiers, has no foundation in fact.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. GOOD. Mr. Speaker, I ask unanimous consent to consider the resolution in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Iowa asks unanimous consent to consider the resolution in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk again reported the resolution.

Mr. GOOD. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, when as soon as the House met on January 10, 1921, the gentleman from Illinois [Mr. CANNON] called up for passage the resolution already passed by the Senate to appropriate \$50,000 to build in front of the Capitol the proposed 10,000 seats for the inaugural, because I criticized this extravagance, calling attention to other expenses proposed covering \$60,000 for policing, \$37,000 for bringing cadets here, and at least \$100,000 additional incidentals, besides the \$200,000 proposed to be spent by citizens for a big inaugural ball, I was severely criticized by several Members who were trying to get this money out of the Treasury. And when I proposed an amendment limiting all expenses of every kind to \$10,000 I was ridiculed and jibed and asked if I wanted the President sworn in by a notary. I proposed then that the inaugural ceremonies be held in the House of Representatives, than which there could be no more appropriate place and where the expense would be nominal. Only four Members besides myself, all Democrats, would vote for my amendment limiting expenses.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Not now. Yet, Mr. Speaker, before 9 o'clock that night President-elect HARDING wired from Marion practically indorsing every position taken by me in my speech, upon which telegram the inaugural committee was forced to act, wiring Mr. HARDING as follows:

TELEGRAM TO HARDING.

The Joint Committee on Inauguration has received your telegram, transmitted through me as chairman, dated January 10, 1921, indicating your desire for extreme simplicity in the inaugural ceremonies on March 4, and that the same shall be conducted practically without expense. The committee has considered your suggestion in the spirit in which it was made and has decided, subject to your approval, that the inaugural ceremonies shall take place in the Senate Chamber, which involves no disturbance of the arrangement incident to the inauguration of the Vice President and involves no expense except such as incidental expenses for police as circumstances shall require.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No. To-day's Post asserts the arrangements have been canceled for the proposed construction in front of the Capitol and that the Government will have to pay about \$3,000 covering the expense of moving huge piles of lumber prematurely ordered there, but after paying this and a few other nominal amounts the balance of the \$50,000 appropriated would be turned back into the Treasury. And the other enormous amounts have been saved for the people. I heartily congratulate Mr. HARDING. He is starting his administration right, even though to do it he had to override a unanimous vote by every Republican in the House to start him in with an extravagant, wasteful orgy. The Post further states that because there is more room in the House Chamber than in the Senate plans will likely be changed to use the House Chamber, which was my plan from the beginning. So, Mr. Speaker, Mr. HARDING has demonstrated that a small minority of 5 can sometimes accomplish much by opposing an unreasoning majority of 285.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Oh, just a moment. I know the gentleman is squirming, and in that connection I want to say that there is on the floor of the House of Representatives a floor space of 7,820 square feet, and in the Senate Chamber a floor space of only 4,200 feet. Therefore, Mr. Speaker, when the matter is simmered down, I think the good judgment of the inaugural committee will bring these ceremonies into the Chamber of the House of Representatives, where they belong. I yield back the remainder of my time.

Mr. KING. Mr. Speaker, will the gentleman yield? The gentleman is leaving the floor. Is he afraid to yield?

Mr. BLANTON. Oh, I can not yield. The gentleman can get his own time.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The House is proceeding under the five-minute rule. The gentleman has the right to proceed.

Mr. KNUTSON. Mr. Speaker, we have been hearing a great deal about economy lately, but it does not seem to go beyond the talk stage with some people. I find in this morning's CONGRESSIONAL RECORD that the gentleman from Texas has used 10 pages of the CONGRESSIONAL RECORD to tell the people of this country what a great and honest statesman he is, and what scoundrels have been opposing him in the past.

Mr. GALLIVAN. Which gentleman from Texas?

Mr. KNUTSON. Mr. BLANTON. The gentleman from Illinois [Mr. MASON] once during the war referred to some of the loyalty talk that was constantly being made as lip service, and stated, further, that with many people loyalty talk was a sort of mouth wash. If the gentleman from Texas [Mr. BLANTON] does not observe a little more consistency in his pleas for economy than he has in the past, we shall have to conclude that it is all mouth wash with him. The RECORD costs money to print; paper is scarce. I forget how many times the gentleman from Texas rose to his feet and took the time of the House in the first and second sessions of the Sixty-sixth Congress, but it ran into the hundreds. He spoke on almost every conceivable subject, took exception to almost every proposition to appropriate money—always for the purpose of glorifying himself and proclaiming to the world the fact that he among all the 435 Members was the only honest man on the floor of the House.

In his remarks printed in this morning's RECORD, to which I have referred, he proclaims that in his late campaign he was opposed by organized labor; in fact, the effort reached all over the country. One would conclude from reading the gentleman's remarks that these people were more concerned about defeating the gentleman from Texas [Mr. BLANTON] for reelection than they were about winning the late war in which we were engaged. I am in favor of economy, but I am in favor of practicing it rather than talking about it. I think this is a

mighty good time to start in. I do not know when the gentleman got permission to extend his remarks. It must have been in some blanket form.

Mr. BLANTON. Mr. Speaker, I am glad the gentleman has called attention to this so that people will read the RECORD, but if the gentleman had been here on the 30th day of December he would have heard my remarks on the floor, when a part of this matter was spoken, and I could have put this in headed as a speech, as many Members do, but I then obtained the right to revise and extend my remarks, and they appear in the manner stated. I excuse the gentleman for not being here, because he is the Republican whip, and much of his time is taken around the House Office Building.

Mr. KNUTSON. Mr. Speaker, I find in the Appendix to the CONGRESSIONAL RECORD this very interesting letter to the President of the United States:

WASHINGTON, D. C., May 22, 1917.

TO THE PRESIDENT OF THE UNITED STATES.

My DEAR MR. PRESIDENT: If I can be used at the front, I stand ready to serve my country. When the question was before the House I voted to increase the maximum age limit to 45, so that I would be included. I likewise voted to subject Members of Congress to the selective draft, in order that I would not be excluded. I am willing to waive my age and position.

My father enlisted as a Confederate soldier at the age of 16. My great-grandfather, William Walker, of Cumberland County, Va., had the privilege of fighting for his country in the Revolution. My mother's uncle, James Monroe Hill, was a veteran of San Jacinto. My oldest son is not 17, but will be ready to respond when the call of his country makes it necessary.

I stand ready to obey your orders should my services be needed and you should see fit to call on me.

With much respect, I remain,

Very sincerely, yours,

THOMAS L. BLANTON.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNUTSON. To which remarkable letter the President replied as follows:

THE WHITE HOUSE, Washington, May 23, 1917.

HON. THOMAS L. BLANTON,

House of Representatives.

My DEAR MR. BLANTON: Your letter of May 22 does you great honor. I do not wonder that you feel as you do, and yet I want very earnestly to remind you that we are now engaged not merely in creating an army but also in mobilizing a nation to perform all its functions at the highest pitch of efficiency. Surely in such circumstances it is just as much a man's duty to stay at a post such as you have been assigned to by your constituents as it is for a man to volunteer for an army. I take that view of it with the greatest confidence.

Cordially and sincerely, yours,

WOODROW WILSON.

Mr. UPSHAW. A great name.

Mr. KNUTSON. A great name. A name to conjure with.

Mr. Speaker, I do not know why the people of this country should be called upon to pay for publicity work on the part of the gentleman from Texas. I do not know that the past military history of his family is of any particular interest to the people of this country. We are living in to-day and not in the time of the Revolution or of the Civil War, and I want to protest as a Member of this House against cluttering up the RECORD with all this damned foolishness. I think this a mighty good time to stop. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask unanimous consent that the last phrase of the gentleman from Minnesota [Mr. KNUTSON] be stricken from the RECORD.

Mr. BLANTON. Mr. Speaker, I object.

Mr. KNUTSON. I will withdraw it.

Mr. BLANTON. I think it ought to go in. It is consistent with the balance of his speech. [Laughter.]

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. GOON, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. WOOD of Indiana. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15543.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15543, the legislative, executive, and judicial appropriation bill, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15543, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 15543) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Bureau of War Risk Insurance: For expenses of the Bureau of War Risk Insurance, as authorized by law: For salaries of the director, and of such assistants, accountants, experts, clerks, and other employees in the District of Columbia as the Secretary of the Treasury may deem necessary, \$6,000,000; stationery and minor office supplies, \$250,000; miscellaneous expenses, including telephones, telegrams, freight, express, foreign postage, not exceeding \$300 for street car fares in the District of Columbia, and not exceeding \$500 for law books, books of reference, and periodicals, \$30,000; printing and binding, \$250,000; furniture, equipment, and supplies, \$100,000; traveling expenses, exclusive of field investigations, \$15,000; salaries and expenses of employees engaged in field investigations and expenses of not more than eight temporary branch offices, \$500,000; maintenance, repair, and operation of a motor-propelled passenger vehicle, \$400; in all, \$7,145,400: *Provided*, That all employees appropriated for by this paragraph shall be engaged exclusively on the work of the Bureau of War Risk Insurance during the fiscal year 1922: *Provided further*, That no person shall be employed hereunder at a rate of compensation exceeding \$1,800 per annum except the following: Three at not exceeding \$7,500 each, 5 at not exceeding \$5,000 each, 16 at not exceeding \$4,500 each, 20 at not exceeding \$4,000 each, 16 at not exceeding \$3,500 each, 26 at not exceeding \$3,000 each, 30 at not exceeding \$2,500 each, and 150 at not exceeding \$2,000 each: *Provided further*, That no part of this sum shall be expended for salaries or expenses in soliciting the reinstatement of lapsed insurance.

Mr. DOWELL. Mr. Chairman, I reserve a point of order on the proviso at the bottom of page 44. What is the reason, Mr. Chairman, for this provision?

Mr. WOOD of Indiana. I will state that the reason for putting this provision in was because information has reached the subcommittee that a large proportion of the amount allowed for the field service, which was appropriated for the purpose of making investigation for the benefit not only of the ex-service men but for the benefit of the Government was being expended in the solicitation of those whose insurance had lapsed and was not being expended for the purpose of investigating into the frauds or investigating what the rights of the ex-service men were, but was being expended, as I have stated, for the purpose of soliciting the reinstatement of lapsed insurance. We felt it was being diverted from the purpose for which it was appropriated, and in order that it might not be thus diverted we put this provision on.

Mr. DOWELL. Does not the gentleman believe there should be something to call attention of ex-service men to the fact of their opportunity to be reinstated?

Mr. WOOD of Indiana. It was not the purpose, and I do not think that if the proviso was permitted to stand it will deter the War Risk Insurance Department from notifying these boys of the fact that their insurance has lapsed or when it may lapse if advantage is not taken of it, but it will prevent the habit that has been going on of sending men out all over the country into the different States and Territories for the purpose of soliciting the reinstatement of their lapsed insurance. It is clearly a violation of the purpose for which the appropriation was made and ought to be stopped. I do not think anybody wants that done.

Mr. DOWELL. But, Mr. Chairman, the record we have is that a very large proportion of the ex-service men have dropped this insurance, and if the opportunity for reinstatement is of any value is it not well for the department to suggest to them that they should reinstate their insurance for the benefit of themselves and their beneficiaries?

Mr. WOOD of Indiana. There is not any objection to that, and I do not think this would interfere with it. I will state this provision is put on for the purpose I have named. I do not think the gentleman from Iowa would want this money to be expended in sending agents at high salaries around the country interviewing these men personally, and many times in their enthusiasm stating to them things which were absolutely unwarranted in reference to some possibility of reinsurance.

Mr. DOWELL. I am not discussing that, but the question I am raising is should it be prohibited by law?

Mr. WOOD of Indiana. If it is not prohibited by law, the abuse would still go on. There is not any objection, and there will not be any objection to it if the department within reason suggests to these boys that their insurance has lapsed and send out circulars—they are circularizing the country constantly with pamphlets telling the privileges they have and telling what they are entitled to in the way of compensation, in the way of insurance, and in the way of vocational training, and all the privileges that are granted under the law, and the very thing the gentleman has in mind is included and should be

properly included within such circularization. The point we are objecting to is the expenditure of this money that was appropriated for the investigation with reference to fraudulent claims, with reference to lawful claims, with reference to examinations, and so forth, that that money should be diverted in sending these men out over the country soliciting insurance just like insurance agents soliciting for an old-line company.

Mr. DOWELL. But if the gentleman will bear with me for just a moment, as I read this language, not a cent of this appropriation can be expended for the soliciting or reinstatement of lapsed members. Now, that is just as true of sending circulars as it is of sending agents.

Mr. WOOD of Indiana. I will state to the gentleman so that there might not be any possible abuse or misuse of the purposes of this appropriation this proviso could be modified so as to include the purpose desired, and that is that the moneys appropriated for field investigation should be used for field investigation; that is, to say, "*Provided further*, That no part of this sum appropriated for field investigation shall be used," and so forth.

Mr. DOWELL. Then would that mean that if a field man went out in a territory and would solicit some one to reinstate his insurance he would be violating the law?

Mr. WOOD of Indiana. It would mean that a man who was sent out for the purpose of making the investigation contemplated by the act used his time for the purpose of going out and soliciting insurance—yes; and it ought to—but I apprehend if an ex-service man would approach this field investigator and ask what his rights were and he would tell him that it would not be any infraction of the law.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. I ask that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. RAYBURN. Is it not true the department has been spending money on the authorization of Congress to put the insurance matter before the ex-service men?

Mr. WOOD of Indiana. It is true; yes, it is true.

Mr. RAYBURN. The gentleman thinks there is nothing in this language—I am asking the question because I want to get it in the Record—there is nothing in this language here, is there, that would prevent the department from letting any ex-service man know the benefits of insurance, how he may be able to reinstate himself when his policy will lapse, and so forth?

Mr. WOOD of Indiana. This prohibition will not prevent that. As I stated, there is no intention to prevent them from doing that. It is for the very purpose of preventing this investigation.

Mr. PARRISH. Will the gentleman from Indiana yield?

Mr. WOOD of Indiana. I yield.

Mr. PARRISH. Does the chairman believe that with this proviso remaining on the appropriation the department would be forced to send out over the country a circular giving the ex-service men a knowledge of their rights or defining their rights, both as to compensation or insurance under the Bureau of War Risk Insurance, or any other right, and include it in that paragraph which refers to the matter of reviving their lapsed insurance?

Mr. WOOD of Indiana. I do not think there is anything in the world to prevent it. If there is any doubt in the mind of any gentleman here it could be put in so as to make it perfectly clear that this fund appropriated for field investigation should not be used for the purpose of soliciting insurance.

Mr. PARRISH. I am in hearty accord with that, but at the same time I would not want this to stop the department from sending out a general circular which would carry in it not only this provision, but other provisions that might be of service to the men.

Mr. MANN of Illinois. If the gentleman will yield, I will say that there is quite a difference between giving information and soliciting business. The department will still have power to give information concerning the reinstatement of lapsed insurance. It is quite a different matter from soliciting.

Mr. RAYBURN. And that is what I wanted to make certain by my question of the gentleman from Indiana, that they would be allowed to give the information to the soldier that is necessary, and that it would not be necessary to go out and solicit insurance among men who do not want it at all.

Mr. WOOD of Indiana. That is the idea exactly.

Mr. OSBORNE. Would not this provision here against salaries and expenses cut out any such circular as suggested?

Mr. WOOD of Indiana. It is not a solicitation. The expense that is involved in the notification or in the circulariza-

tion, informing the ex-service men of what their rights are, is included and for informing those who have lapsed insurance of the right to take out insurance.

Mr. OSBORNE. It might be interpreted as soliciting to even give them the information as to what their rights are.

Mr. RAYBURN. That is just the question. The gentleman from Indiana informed me that this applies only to solicitation of insurance. It is no limitation whatever upon the information the Bureau of War Risk Insurance, or any employee thereof, may give.

Mr. GARD. Would it not clarify the situation to insert before the word "expenses" the word "field"?

Mr. WOOD of Indiana. I do not think that would be enough, because of the fact that they can legitimately travel for the purpose for which they want to make an investigation.

Mr. RAYBURN. I might suggest that the whole thing is covered by the word "soliciting."

Mr. WOOD of Indiana. The word "soliciting" is a limitation.

Mr. BEGG. Mr. Chairman—

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEGG. Mr. Chairman, I move to strike out the last two words. I do that for the purpose of getting a little information and making an observation. Did the gentleman find out how many policies are being carried now by the Bureau of War Risk?

Mr. WOOD of Indiana. I did not.

Mr. BEGG. I will say to the gentleman that probably six months ago they had around 600,000 policies. Is it the policy of the Bureau of War Risk Insurance to expand until they have a field force in the United States actually soliciting insurance?

Mr. WOOD of Indiana. I do not know. They asked for \$1,500,000 for that purpose, but we did not see fit to give it to them. There is a disposition, perhaps more pronounced some time ago than it is now, for them to expand the insurance part of their activities.

Mr. BEGG. Well, if the gentleman will permit, I will say that the director himself testified before the committee investigating the war-risk insurance that it was his ambition to so expand the force that they would have at least a man in every territory, or, I will say, for enough men to make it available to reach every soldier in the United States in order to persuade him to retake his insurance.

Mr. WOOD of Indiana. There is evidence of that character.

Mr. BEGG. Is it not a fact that they now have 14 or more branch offices, or branch war-risk bureaus, in the United States?

Mr. WOOD of Indiana. They asked to have six more, and they were not granted.

Mr. BEGG. There is no money in this bill for that purpose?

Mr. WOOD of Indiana. No. But for the eight offices there is.

Mr. BEGG. Was there any testimony or any effort made to find out whether or not by the establishment of these branch offices cases for soldiers were expedited or whether the reverse was true and that they were delayed?

Mr. WOOD of Indiana. We were of the opinion that they had plenty of branch offices, and that the activities should not be expended in that direction, and we thought more money would go for the purpose for which Congress was appropriating it if there was not so much of field activity and so much money expended in salaries to these agents.

Mr. BEGG. Did the gentleman find out how many employees there are in the Bureau of War Risk at this time?

Mr. WOOD of Indiana. We got all of that information.

Mr. BEGG. How many are there, may I ask?

Mr. WOOD of Indiana. On November 1 there were 6,833.

Mr. BEGG. Is that throughout the United States or only in the city of Washington?

Mr. WOOD of Indiana. In the city of Washington.

Mr. BEGG. How many are there altogether? Can the gentleman give us that?

Mr. WOOD of Indiana. The 6,833 include the field force. Two hundred of those are in the field.

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I have no desire to criticize in any way the Bureau of War Risk, nor do I have any criticism to offer of the work they have performed or are performing. I do believe that it was a fine thing to do. I do believe that it was an extravagance or an expensive proposition that probably could not be helped. But I want to call the attention of this House to this fact, that to carry the overhead charge for insurance by the Government when we are not paying one dollar into the overhead for rental of buildings is many times more than it costs to take insurance in a private company. I did not state that exactly correctly. I said "to take insurance." I mean many times more than it costs to carry insurance by any of the great companies writing insurance in the United States. And I, for one, believe

that in justice to the very people we are trying to serve, the soldier boys, we ought to furnish them ample opportunity to know that they may be reinstated in that insurance. Then, after that has been done for them for a year's time we have discharged our obligations to those boys in the way of making insurance available from a governmental standpoint, and from that time on it seems to me we ought to do something to cut down the overhead charge for operating and simply carry along the policies.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. Sisson. Mr. Chairman, will the gentleman yield?

Mr. BEGG. One more word, and then I shall be glad to yield to the gentleman.

After that thing has been done, it seems to me that the Government insurance ought to be operated and carried for an overhead charge at least 40 per cent under that of any commercial insurance organization in the United States, instead of at from 200 per cent to 400 per cent more.

Now, I will be glad to yield to the gentleman.

Mr. Sisson. That is the very question I wanted to ask the gentleman. Has he made a careful investigation as to the amount of insurance in force and the overhead charge per dollar of insurance carried, and compared that with the overhead charge of life insurance companies?

Mr. BEGG. I will say to the gentleman that I have made such an investigation. I want to say, however, that my investigation—

Mr. Sisson. I question somewhat the gentleman's statement. Does he take into consideration the commission given to the insurance agents in the first instance?

Mr. BEGG. Absolutely.

Mr. Sisson. When the gentleman makes that statement it is a very startling thing to me that this overhead charge, including commissions given to the local agents, is greater than the overhead charge of the insurance companies.

Mr. BEGG. The only assurance I can give the gentleman is a statement of the figures that have been furnished me by several of the big insurance companies. I merely asked for the cost of carrying their insurance already written and as to the cost of rewriting insurance.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. RAYBURN. Mr. Chairman, I ask that the gentleman may have three minutes additional. I wish to ask him a question.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. RAYBURN. Is not the gentleman from Ohio charging against this overhead of the war-risk insurance the whole expense of the Bureau of War Risk Insurance?

Mr. BEGG. No; I am not. I am not doing that.

Mr. RAYBURN. How does the gentleman separate those items?

Mr. BEGG. I suppose the gentleman refers to allotments, and so forth. I am not speaking of those. I am speaking solely about the insurance division of it. I am not criticizing the Bureau of War Risk. I simply say it seems to me that there is ample room for improvement in the cost of the overhead. I do not believe that this Congress wants to go on record as favoring the sending out of solicitors to sell insurance, because that is what it amounts to in the last analysis. We have furnished, as I understand, ample information to every soldier in the service, and if we have not, we should furnish ample information, advising him that until a certain period of time he can be reinstated. I think we ought to go that far. Then, after we have done that, it seems the time has passed when we owe him an obligation.

Mr. RAYBURN. I will say to the gentleman that has been done with respect to every soldier, and the time has been set within which he can be allowed reinsurance.

Mr. BEGG. That is true.

The CHAIRMAN. The time of the gentleman from Ohio has again expired. There is a reservation of a point of order pending technically.

Mr. MANN of Illinois. I ask that the point of order be disposed of.

The CHAIRMAN. Does the gentleman from Iowa [Mr. DOWELL] withdraw his point of order?

Mr. DOWELL. In view of the fact that the language in the paragraph objected to would prevent the expenditure of any money whatever to call the attention of the ex-service men to

the fact that they are in arrears and that their policies are suspended, I will make the point of order.

Mr. MANN of Illinois. It is not subject to a point of order. It is a pure limitation.

Mr. DOWELL. It is legislation.

The CHAIRMAN. Does the gentleman make the point of order against the whole paragraph?

Mr. DOWELL. No; against the proviso in lines 24 and 25.

Mr. Sisson. That is not subject to a point of order at all. That is simply a limitation on the bill.

Mr. DOWELL. It is not a limitation, but it is legislation.

Mr. Sisson. It is not legislation. It is a limitation upon the bill, on this sum of money.

Mr. DOWELL. No; it is not a limitation upon the money. It provides for no expenditure, whatever, but it provides how it may be expended, and it is legislation.

The CHAIRMAN. The Chair is prepared to rule. The Chair is of opinion that it is a distinct limitation upon the appropriation, and therefore the Chair overrules the point of order.

Mr. Sisson. Mr. Chairman, I rise in opposition to the amendment. The statement of my friend from Ohio [Mr. Begg] in reference to the overhead charge of this war-risk insurance is rather remarkable, because the principal expense to life insurance companies in the operations of their companies is not the overhead charge at the home office, but the expenses of the various general agencies and local agencies throughout the country. Some insurance companies give 80 per cent of the first premium to the agent, and 30 per cent and 10 per cent for three years. Some of them do not give so much, but usually they give of the first premium about 60 per cent, and then the general agent gets about 20 per cent of the next and 10 per cent of the next premium. If you include that in the overhead charge, my information is that the overhead charge of the war-risk insurance is very much less than that of the life insurance companies. But the expense to the war-risk insurance will be greater than to the ordinary life insurance company, because when a company gets a policy the only subsequent expense then is the bookkeeping end of it, because the agent gets out of the premium the expense of securing the insurance; but the duties that devolved in the past upon this war-risk insurance have been largely in the matter of education and giving the boys information as to what they were entitled to, but that has been cut down and continually cut down. Now, I agree with the chairman of our subcommittee that while this looks as if it was a considerable overhead charge and we felt very desirous of cutting it down more than that, I would dislike very much to take the responsibility of in any way hampering the efficiency of this service at this time, because, as the committee knew, there has been a great complaint in the past that you could never get these matters straightened out. There is this expense that these people are put to that requires a great many clerks, where there is some doubt about a man's being entitled to insurance. They have got to investigate the entire record, which is an expensive proposition and requires quite a good deal of clerk hire; but it seems to me the time ought to be almost here when this will assume the fixed condition where the probability will be that the only expense that the Federal Government will be put to will be the sending out of the checks to the boys to pay this insurance.

Mr. BEGG. I quite agree with the gentleman, in the main. I do not agree with his supposition, because I have the figures and will be glad to show them to him.

Mr. Sisson. I am from Missouri. I will have to be shown on that proposition.

Mr. BEGG. I simply ask the gentleman if he thinks the overhead is not great, to look at this fact—

Mr. Sisson. Does the gentleman know what insurance is now in force?

Mr. BEGG. Within five months. I do not know since then.

Mr. Sisson. Approximately.

Mr. BEGG. Six hundred and fifty thousand policies five months ago. I also know that that makes each employee in the department handle two policies a day. That is all they have to do to take care of a year's work. Now, after a policy has once been examined and O. K'd, any clerk that can not take more than two a day ought to be discharged; I simply point that out to show the chance for improvement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. Sisson. I ask for one minute more.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that his time be extended one minute. Is there objection?

There was no objection.

Mr. Sisson. Now, gentlemen of the committee, I am glad the gentleman has raised the question, because I think after the

question has been once raised we ought to look into it, and I am from Missouri on that. I have got to be shown on that proposition. I think the gentleman is mistaken as to the amount of insurance actually in force. There are more names on the insurance rolls of this bureau than on the rolls of any other insurance company in the world.

Mr. OSBORNE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

Mr. OSBORNE. In lines 24 and 25 I move to strike out the words "or expenses."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. OSBORNE: Page 44, lines 24 and 25, strike out "or expenses."

Mr. OSBORNE. I offer this amendment for the reason that it appears to me that an administrative officer following the law closely might construe this provision to prevent him from sending out such a circular as has been mentioned. I want to give these soldier boys every chance in the world to renew their insurance, those who are entitled to it. While I have no doubt as to what is the intent of the House in this matter, I think that an administrative officer, drawing the lines very closely, might refuse to send out the circulars if the words which I would erase were in the law.

Mr. DOWELL. I move as an amendment to the amendment, after the word "each," in line 23, to strike out all of the remainder of the paragraph.

The CHAIRMAN. The amendment of the gentleman from California being to perfect the text, the Chair thinks the question is first on that amendment.

Mr. WOOD of Indiana. I desire to say a word in opposition to that amendment. It would tend to confuse rather than to clarify. If what the gentleman states is true we might as well strike out the word "salaries."

Mr. RAYBURN. I did not catch the amendment.

Mr. WOOD of Indiana. The gentleman from California moves to strike out the words "or expenses." It does not help the thing at all, and I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Osborne].

The question being taken, the amendment was rejected.

Mr. DOWELL. Mr. Chairman, I now renew my amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DOWELL: Page 44, line 23, after the word "each," strike out the remainder of the paragraph.

Mr. DOWELL. Mr. Chairman, from the reports I get a very large number of the ex-service men have dropped this insurance. I take it that all of us know they have been unable in days past to secure service from the War Risk Insurance Bureau as rapidly as they would desire. I think we ought not, in view of the past history of this department, to act too quickly. It is a new department, was organized with 4,000,000 men, and it was impossible to give the attention to the individual that he should have had. A great many of them became discouraged and dropped the insurance because of that fact. If the Government is to carry this insurance, as I believe it ought to do, it seemed to me that we should advise these ex-service men who have dropped the insurance of the opportunity they have to renew it. We should encourage and not prevent the reinsurance of these men, as I fear the language of this paragraph will do.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DOWELL. Yes.

Mr. MOORE of Virginia. I would suggest to the gentleman that it was developed last year before the committee which has been referred to that exactly what the gentleman proposes had already been done by the officials of the bureau. That is to say, they had taken pains to bring to the attention of every one of the ex-service men who could be reached the desirability of his insurance being maintained. I think, further than that, that quite recently every ex-service man has probably been communicated with and advised that an extension of time had been given him within which he may renew his insurance. A great many interesting and cognate matters are discussed in the first annual report of this bureau which has been recently printed and issued.

Mr. DOWELL. Is it not also true that by reason of that activity thousands of ex-service men have been brought back and are now in this department?

Mr. MOORE of Virginia. I think that may be very likely, but I am wondering whether Congress would be justified in continuing at very large expense to do over and over again

work which has been done two or three times in different ways already.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MANN of Illinois. Mr. Chairman, I have no doubt that the Bureau of War Risk Insurance will still have the power to give all necessary information in reference to the reinstatement of insurance. Certainly everyone here must know that the War Risk Insurance Bureau has dragooned the country trying to force men to keep their war-risk insurance alive. Young men without anyone depending upon them have been urged by the Government, as an economic proposition, to take out endowment insurance, which will keep their noses against the grindstone for the next 20 years, in order to get a little sum of money from the Government at the end of that time, when in many cases if they have any sense or judgment they could use that money much more profitably while they go along. They have sought to do this largely because, I suppose, they think it is for the interest of the insured, largely because it is the inevitable tendency of every bureau of the Government to magnify the work of that bureau, and they have sought to force these men. When the Government of the United States goes to a young man and tells him how valuable it is for him to do something he is unduly impressed with the argument, and many of the insurance policies now in force ought never to have been rewritten, in my judgment.

Mr. CLARK of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MANN of Illinois. Yes.

Mr. CLARK of Missouri. If the statement made by the gentleman from Ohio [Mr. BEGG] is correct, that it costs more to carry this insurance than it costs to carry the same amount in any old-line company, what is the sense in dragooning the country to build up this insurance business?

Mr. BEGG. Mr. Chairman, if the gentleman from Illinois will permit, I did not mean to make that statement, if I made it. I meant to say that the overhead cost of the Government is greater than the overhead cost of the company. The insurance is about 20 per cent cheaper.

Mr. MANN of Illinois. I believe in carrying out the contract that was made with these men no matter what the overhead cost may be, although I have no doubt that the overhead cost ought to be reduced to practical economy; but these boys have declined to take this insurance, they do not want it, and there is no reason why the Government should go out continually and try to force them into taking it, mainly because officials here want to keep a large number of employees in office.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. MANN of Illinois. Yes.

Mr. DOWELL. Is it not true that the insurance companies of the country are constantly dragooning these ex-service men trying to make them believe that it is not profitable to carry the insurance if they have been carrying it, and is not that one of the troubles that confront us in getting the number that we ought to have.

Mr. MANN of Illinois. Perhaps, but most men are not unduly impressed by ordinary insurance agents. I suppose we have all reached the stage where we do not pay much attention to an insurance solicitor, but the Government is a different proposition.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TOWNER. Mr. Chairman, we are always apt, I think, when there has been excessive activity shown to jump to the conclusion that all activity ought to cease. That is a mistake which I think will be made if this provision is allowed to continue as a part of the bill. Let us see what this says. It provides that no part of this sum, which means the salaries provided for practically all of the employees of this department, shall be expended for salaries or expenses in soliciting the reinstatement of lapsed insurance. What would that mean? If at any time any soldier should for any reason make a mistake even in sending his premium to the insurance office, this would mean that the department could not even call his attention to that fact, because it says that no expense shall be incurred to solicit the reinstatement of lapsed insurance. That will be going altogether too far, it seems to me. If there has been excessive activity, if too much money has been expended, let that kind of a provision be inserted here. Certainly no one on the floor of this House would object to it. To say, however, and to direct that the Bureau of War Risk Insurance should not call attention to the fact that the insurance policy of a soldier has lapsed is going altogether too far, in my judgment.

Mr. KNUTSON. Will the gentleman from Iowa yield?

Mr. TOWNER. Certainly.

Mr. KNUTSON. Does not the gentleman think that the last proviso, page 44, means the Bureau of War Risk Insurance shall not conduct a sustained campaign for reinstatement?

Mr. TOWNER. The gentleman is inserting language unfortunately that is not there. I just said that probably a proper system of guarding against excessive expenditure of money, an excessive activity of the employees of the department, anything of that kind, should be done, but this does not do it. This says to the department that they must not expend any money to secure reinstatement of a lapsed policy, no matter whether it is a mistake, a misfortune, or anything else.

Mr. MANN of Illinois. Does the gentleman think that giving information by the bureau to men whose insurance may often lapse is soliciting reinstatement of insurance?

Mr. TOWNER. Well, I should think it might well be considered so. How else would the department notify them?

Mr. MANN of Illinois. The department is not interested from the standpoint of reinstatement; the department, I think, properly furnishes information on the subject. That is not soliciting reinstatement.

Mr. TOWNER. The difficulty is, I think the gentleman will readily see, that the soldier boy may not know; he may have sent a letter misdirected, which may not have been received; his attention may never have been called to it; it is lost.

Mr. MANN of Illinois. But information on the subject is perfectly free to be sent?

Mr. TOWNER. Certainly, if the man makes inquiry; but suppose he does not; he ought to be notified.

Mr. MANN of Illinois. Well, he would be notified, naturally, without making inquiry.

Mr. TOWNER. I do not know about that with this statement in here.

Mr. MANN of Illinois. I do not think there is a particle of doubt about it.

Mr. TOWNER. It is pretty strong language.

Mr. DYER. Will the gentleman state how long a soldier has to seek to be reinstated?

Mr. TOWNER. There are so many circumstances that it depends altogether on those circumstances.

Mr. DYER. I have in mind the case of a young soldier who contracted tuberculosis in the service. There is no question about that, and he went west to New Mexico for his health, got quite ill, was alone, and he neglected to pay one premium; the department refused to reinstate him, although he was there ill, and they knew that he contracted tuberculosis in the service.

Mr. TOWNER. I am afraid injury and injustice will be done if this provision is allowed to remain. Certainly, none of us would object to a proper reservation guarding against undue activity or undue or excessive expenditures.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. Mr. Chairman, I make whatever motion is necessary to get the floor.

The CHAIRMAN. The gentleman moves to strike out the last four words.

Mr. RAYBURN. Mr. Chairman, I think in considering the insurance feature of the war risk insurance act a great many of us have a misconception of what was the real intent of the Congress when it passed that part of the war risk insurance act. The compensation and allotment provisions of the war risk insurance act were more liberal than any that had been made in this or any other country. We said in addition to the compensation, which was liberal, that we would allow them to insure their lives with the Government at the same rate that they would have been allowed insurance if they had been in private life and had not assumed a war risk. Now, a great many men, probably 80 or 90 per cent of them, took out this insurance, and the very thing that gentlemen here who favor striking out this language are in favor of is the very thing that hundreds and thousands of the ex-soldiers to-day are complaining of, and that is that when they went into the Army they were practically forced to take out this insurance whether they wanted it or not. I want to say that the Bureau of War Risk Insurance has since the war closed practically pursued every ex-service man of this country, trying to get him to renew his lapsed insurance, and a great many of them have told me that if they had not felt like they had to take out the insurance during the war they never would have taken it out, and they were tired of being pursued by Government agents or letters from the department trying to persuade them again to take out insurance. Why, gentlemen must remember that the average man from 21 to 31, who does not have dependents, does not have any insurance at all, whether he went to the war or whether he did not go to the war, and it appears to me that since every ex-soldier in the land has been circularized, since

he has had the benefit of the converted war-risk insurance held before him, that the department has harassed these men probably enough instead of sending out a special solicitor at great expense to the Government from one end of this land to the other seeking to persuade these men to take out insurance that they do not want.

Mr. DOWELL. There is no provision in this bill for any such activity.

Mr. RAYBURN. I say the activity along that line has been completed by the bureau. It has circularized every ex-soldier in the land since the law was passed allowing them—

Mr. DOWELL. On the theory the fewer the members, the fewer ex-service men who belong to this department, the better. That argument is good, because they certainly will continue to lapse.

Mr. RAYBURN. That does not follow from my argument at all.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended two minutes. I desire to ask him a question.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HASTINGS. I have not been on the floor and this question has doubtless been answered before, but I would like to ask the gentleman if he could tell us how many of these policies are now in force?

Mr. RAYBURN. The gentleman from Ohio answered a while ago that there were about 650,000.

Mr. BEGG. Six hundred and forty thousand.

Mr. HASTINGS. How many were taken out originally?

Mr. MOORE of Virginia. I can give the figures if the gentleman desires. About 4,600,000 applications for term insurance seem to have been passed on from the beginning to July 1, 1920.

Mr. HASTINGS. About 640,000 are now in force?

Mr. MOORE of Virginia. I understand that on July 1, 1920, the term certificates and converted policies outstanding totaled, as estimated, about 800,000. I further understand that more than 90,000 reinstatements were effected up to July 1, 1920. I may add statistics that have been furnished me that bring the showing to December 31, 1920. Up to that date there were a total of 4,600,157 term applications; the term policies then in force, as estimated, were 615,785 and the converted policies 241,529; and up to that date there had been 186,239 term policies and 19,676 converted policies reinstated.

Mr. HASTINGS. I thank the gentleman for his information.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Federal Farm Loan Bureau: Four members of the board, at \$10,000 each; assistant secretary, \$3,000; 4 private secretaries, at \$2,000 each; custodian of securities, \$2,500; examiners of securities (not to exceed 6 in number) at not more than \$3,000 per annum each, \$14,700; 12 registrars, at \$4,000 each; chief land bank examiner, \$5,000; supervising appraiser, \$3,600; 3 land bank examiners, at \$3,000 each; accountant, \$1,800; clerks—1 of class 4, 1 of class 3, 5 of class 2, 5 of class 1, 4 at \$1,000 each; stenographers—3 at \$1,400 each; 3 messengers; in all, \$162,720.

Mr. SISSON. Mr. Chairman, I move to strike out the last word, not for the purpose of discussing any particular item that is included in this bill but to direct the committee's attention briefly to the condition that the country finds itself in by reason of the fact that at this time no new loans are being made by the Federal Farm Loan Board, for the want of funds, because while the case is pending in the Supreme Court of the United States they are unable to sell bonds for the purpose of securing the necessary funds to continue the operation of this law.

In my judgment a very great mistake was made by the Republican majority in this House at the last session when they declined to include in that bill the \$250,000,000 which was requested by the Farm Loan Board. Because on one other occasion a suit of this kind was filed, the Congress, under a Democratic administration, included \$200,000,000 of an appropriation to be used by the Federal Farm Loan Board to keep alive this farm loan law. That suit was withdrawn because it did not stop the operation of the Federal Farm Loan Board in performing the functions for which it was intended. None of that money was used, because when that suit was withdrawn the Federal Farm Loan Board had no trouble in selling the bonds.

Now, I do not believe that anything would relieve the situation throughout the country as much as to have this Federal farm loan organization again function. I went into a good many of the States just before the cyclone struck the Demo-

cratic Party and I found that in every State throughout the country that I was in the small farmers and the bankers were using the Federal Farm Loan Board. In the South especially, where it is almost impossible to sell cotton at any price, where the difficulty is in getting enough money to pay the taxes, because out of the sale of the cotton all the money comes with which to pay the taxes and other expenses in the South, and in the tobacco sections of Tennessee, Kentucky, Missouri, and the other tobacco sections, the banks say they are having this same trouble.

If this farm-loan proposition was now functioning, the bankers of my State all say that the small farmer, who owes a few hundred dollars on his farm, would have no trouble in negotiating a loan with the Federal Farm Loan Board, which would relieve them of the distressed condition in which they find themselves, and all the banks without exception will carry the small farmer through the next year so that he can make his crop, because there would be left the crop and the personal property unincumbered. And in all cases the bank would be willing also to take a second mortgage upon the small farmer's land. And that alone would do more, in my judgment, to relieve the distressed situation throughout the agricultural sections of the United States than anything else. In the great West, on account of the enormous drop in the price of grain, they have a distressed condition there also. The complaint throughout the land is that the agricultural people are suffering, and if we could get the proper amount of money into some of these appropriation bills, say \$200,000,000 or \$250,000,000, for the use of the Federal Farm Loan Board, in my judgment, it would be doubtful whether we would have to use much of it or not, but if we had to use it all it would be but a few weeks until the distress that agriculture finds itself in would be completely relieved. [Applause.]

Mr. DUNBAR. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. DUNBAR. Does the gentleman believe if the Government was authorized to furnish \$300,000,000 to the farm-loan banks, to be loaned to the farmers, that much greater benefit would come from that act than from the authorization of the reestablishment of the War Finance Corporation?

Mr. SISSON. Yes; I think so. I think the rehabilitation of the Finance Corporation, however, may do some good. In other words, I think the statement made by the gentleman from Illinois [Mr. MANN] about covered the case. He said that he is not absolutely sure that it will do any good, but that it might tend to have a good effect, and he would rather vote for it for that reason, and I voted for it also, with the idea that it might accomplish some good. But this farm loan goes directly to the people who are needing it and the people who are suffering. If this country is to rehabilitate itself and if you want business to again begin to function, we should put agriculture in a condition where it can perform its duty, where the farmers can pay their taxes and get ready for the next crop. Then business will be resumed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent for two minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. SISSON. I believe that business would get better instantly if you Republicans would appropriate money to allow the farm loan law to become operative.

Mr. DUNBAR. Then the gentleman is of the opinion that instead of rehabilitating the War Finance Corporation it would have been very much better, if the farmers and the agriculturists are to be assisted, to loan \$300,000,000 to the Federal Farm Loan Board for the purpose of loaning it to the farmers?

Mr. SISSON. Since the gentleman puts the question in the comparative degree, I will say to him without hesitation, if I could only get one, I would rehabilitate the Federal Farm Loan Board.

Mr. DUNBAR. I think so.

Mr. SISSON. Because the Federal Farm Loan Board would have given immediate relief where it was needed most.

Now I would like to say one word in conclusion, and I must hurry, because I do not wish to take up the time of the House. That word is: If the American Republic continues to be the virile force in the world that it should be, it will be necessary that everything be done to rehabilitate agriculture and to make farm life attractive, because on that foundation hangs all the virility and strength of the Government. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. Sisson. One minute more, Mr. Chairman.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. Sisson. The men who live in great cities may let their lips curl in scorn and may let a laugh of derision appear on their countenances when we friends of the American farmer plead for relief for him; but I want to say to them that with all your boasted prosperity, with all your towers of brick and mortar which ascend toward the sky and receive the light of the morning sun, with all your busy looms and whirling spindles, that they will no more be heard and the sound of their wheels will no more vibrate in the air, and their palatial buildings which pierce the heavens will all become charnel houses of death and degradation unless you rehabilitate the farms of this country. [Applause.]

Mr. Wingo. Mr. Chairman, I rise to oppose the amendment. I think it might be well for the Record to show what the facts are with reference to the situation that now confronts the Federal land banks. I am led to make that observation by reason of the flood of letters that I am continually receiving, asking why Congress does not compel the Supreme Court to render a decision in the pending case.

Of course it is obvious to the lawyers present that Congress can not direct either when they shall render a decision or the character of the decision. But a great many farmers who write about it do not understand the situation. They should be reminded that there are three coordinate branches of the Government, and that the judicial branch, the Supreme Court, is just as independent of Congress in a question of this kind as Congress is independent of the Supreme Court, and that the Congress can not compel the Supreme Court to hasten its decision, nor can it direct the Supreme Court what its decision shall be. I think it unfortunate—of course I assume there is a proper reason—but I think it is unfortunate that the decision of the Supreme Court has been delayed.

Something has been said about the War Finance Corporation, but before I go into the war finance proposition I want to say that a great many people have the idea, encouraged by the assumptions that some of us make in our statements on the floor, that the Federal Farm Loan Board makes loans. The Government, through the Federal Farm Loan Board, does not make any loans. The farm land banks make the loans, and they are organized corporations to which the Government originally contributed the capital stock. The Federal Farm Loan Board in Washington is helpless, and criticism of that board is not justified, because it is only a governmental agency that supervises the work of these land banks. I hope the Supreme Court will render its decision soon. I hope its decision will be favorable. If it is not, I am quite sure Congress will correct whatever defects the decision may point out in the organic law.

Mr. Brand. Mr. Chairman, will the gentleman yield?

Mr. Wingo. I yield to the gentleman.

Mr. Brand. I simply want to state, for the information of those who are likely to read the gentleman's statement on the subject, that in this case the constitutionality of the act has been argued the second time. It was reargued in October, at the request of the court, and they have had that case pending before them nearly three months since the date of the argument the second time.

Mr. Wingo. That is true. It has been argued twice; reargued in October, and a decision is expected now at any time.

Now, the land banks were founded to furnish long-term credits on farm land. The War Finance Corporation was created to expedite exports. In spite of the ridicule and criticisms of the proposal to rehabilitate the War Finance Corporation the psychological effect of reviving it has already been of value to every wheat grower and every cotton grower of this country. It has not only added \$15 a bale to the market price of cotton in the South, but it has done that which is infinitely more important from the standpoint of the industrial situation in the country—it has tended to produce a market. The same is true with respect to wheat. You wheat growers know that it is true as to wheat.

Now, I think it is unfortunate, as the gentleman from Mississippi [Mr. Sisson] has said, that Congress did not provide funds to meet the needs of the farm land banks. If the last Congress had not voted down the motion of the gentleman from Kentucky [Mr. Barkley], or the amendment, and if we had authorized even less money than the War Finance Corporation was given, or if you had temporarily advanced to the land banks one-third as much money as you voted the railroads of the country, and had let these farm land banks go on, you would have found less embarrassment with respect to the coun-

try banks in the wheat and cotton belts of the country than you have now. The farmers could have procured loans repayable in amortization payments extending over a long term and liquidated their debts due banks.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. Wingo. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. Wingo. Now, another question: I have been one of those who insisted that when we passed the Federal land bank legislation we only halfway met the problem that is involved in rural credits. A banker who knows anything about the philosophy of commercial banking knows that the commercial banker operating with funds derived from demand deposits has to handle short-term paper and that as a rule he is compelled to confine the greater part of his activities to purely commercial credits.

What this Nation needs for the rehabilitation of agriculture more than anything else is a separate and distinct machinery that will meet the current seasonal credit needs of the American farmer. Nothing is gained by abusing the commercial banker and saying that he is not carrying the farmer as much as he should. He can not carry the loans of 12 or 13 months and sometimes up to 3 years that the farmers need, except by way of renewals. Most business commercial paper has of necessity to be from 30 to 90 days, and prosperity will not come to agriculture in this country and the food supply of this Nation can not be built up and protected unless you go to the fundamental proposition of furnishing the agricultural interests of this country with a separate and distinct machinery whereby it can meet its current credit needs with the same facility that the manufacturer, the merchant, and the other business men of the country meet their current financial needs, and it is not class legislation to give them that. As a matter of fact, our national banking law and our Federal reserve bank law are class legislation for the benefit of the commercial and industrial interests of the country, and we all know that the problem we had at that time was met, and it was well understood that agricultural short-term credits as well as agricultural investment credits are a separate problem that must be worked out, and our banking laws and our currency laws would remain class laws unless we go further and take care of the other class, the agricultural, which at this time has not the same facilities and agencies that the commercial interests have with reference to credit to meet its current needs. [Applause.]

Mr. Hastings. I move to strike out the last two words. Mr. Chairman, I do not want to detain the membership of the House more than a minute or two, for the purpose of expressing one thought. I was a member of the Banking and Currency Committee when this farm loan act was reported out and when it passed the House. I tried at that time, first in the committee and then upon the floor of the House, to secure the adoption of an amendment. I want to invite the attention of the House to that amendment now. That was to provide for the appointment of agents for the various farm-loan banks, to be stationed at convenient places throughout the country, to receive and forward applications to the farm-loan banks, without requiring the applicant to become a member of a local loan association; in other words, give this local agent of the farm-loan bank about the same authority that the secretary-treasurer has in a local loan association. With that amendment to this act, if held to be constitutional by the Supreme Court, in my judgment it would make it the greatest piece of constructive legislation that I have voted for since I have been in Congress. I think it will help the farmers of the country more. The great objection that the farmers of this country make to this bill now is because of the delay in getting action upon their applications for loans. Perhaps it was not so with those who originally joined or formed local associations, but after some 15 or 20 or more have organized a local loan association, and after they have procured their loans, they are not so much interested in the new member who wants to join. Therefore we have found, in my country at least, that there are a good many delays in securing favorable action upon their applications. I want to submit this observation in the hope that this amendment will be taken up and considered by the Banking and Currency Committee with a view to favorably reporting out an amendment along this line. This act has already reduced the interest rates to farmers and resulted in more favorable terms to farmers. I trust that the act will be held to be constitutional by the Supreme Court. If not, I hope Congress will correct it. The farmers need financial support and an outlet for their markets.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. HASTINGS. If I have the time.

Mr. WOOD of Indiana. I move that all debate on this amendment be now closed.

The CHAIRMAN (Mr. Fess). The gentleman from Indiana moves that all debate on this amendment be now closed.

The question being taken, the motion was agreed to.

The Clerk read as follows:

For traveling expenses of the members of the board and its officers and employees, per diem in lieu of subsistence, not exceeding \$4; and contingent and miscellaneous expenses, including books of reference and maps, and exclusive of stationery and printing and binding, \$15,000.

Mr. QUIN. Mr. Chairman, I move to strike out the last word. The enjoining of the Farm Loan Board by the United States district court has worked a great hardship not only on the agricultural class of this country but on all of the country banking institutions, because of the fact that somebody must advance the money to these farmers. I would not criticize the Supreme Court of the United States, but it seems to me that their decision is a long time in coming. After that decision shall have been rendered no doubt the Farm Loan Board will be allowed to renew its activities. Throughout every farming section of the United States there are applications on file now, and many more ready to be filed, to secure loans under that beneficent legislation; but since the constitutionality of that act has been attacked, as I believe by the interests that wanted a monopoly of farm loans and the high rate of interest, it has become a grave question to the farmers of this country. In my judgment the time is now at hand for the Supreme Court of the United States to know that the people of this country are anxiously awaiting a decision, and, of course, everyone who is a friend of the farmer hopes that the view of the court will sustain the people's representatives in both branches of the American Congress that passed that law in good faith in face of the objections of all the great banking interests of this country that were specially interested in holding up the rate of interest on loans granted to farmers. Now, since the American people have learned that through this governmental agency loans for a long period of time at the lowest possible rate of interest have not only been provided for by the enactment of law but have been a sterling reality, they realize what a handicap it is for the operations of this board to be stopped. Everyone knows that throughout this country the farmers have been forced to pay very high rates of interest. This splendid institution, by allowing the bonds granted on these farm loans to be exempted from all forms of taxation, has, of course, enabled the farmers to get the lowest possible rate of interest paid on any security in the United States except Government bonds. Of course, that exemption from taxation is the point upon which the act is attacked. From one end of this country to the other the people who are operating the farms are looking to this Congress. They do not realize that the Supreme Court of the United States has all the power that it has, and we must respect the powers of the court. The people of the United States think that they are handicapped in their activities, especially those who are cultivating the land and producing food and wearing apparel for all the people, not only of the United States but for the rest of the world. These people are looking to us.

These people are looking to us, and in this very bill the item which carries on the Farm Loan Board with all of its agencies and activities is, in my judgment, the most important item. Whether or not the Supreme Court renders a decision that will allow this law to continue functioning, the Congress in all probability, if the decision is against it, will find some way of passing an act that will come within the scope and purview of the decision of the Supreme Court. As it is, all of those banking institutions, the small country banks, that are now forced to carry these loans in order that the farmers may continue their operations, are heavily handicapped. These city banks are needed for commercial activities. The farmers can not pay the loans in three months or six months. They can not pay the loans in 12 months. They require more time. This Farm Loan Board must continue. [Applause.]

The Clerk read as follows:

In all, \$245,220.

Mr. DUNBAR. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. This \$245,220 is paid out of the Treasury of the United States, of course, but is it reimbursed by the farm-loan bank?

Mr. WOOD of Indiana. Mr. Chairman, I will state that it is not reimbursed to that amount. We had some legislation in this bill last year providing that it should be. That legislation went out on a point of order. The same thing was put in in

the Senate, and it went out on a point of order. There is a bill now pending to make it reimbursable.

Mr. STRONG of Kansas. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. DUNBAR], for the purpose of saying to my colleague from Oklahoma [Mr. HASTINGS] that at the last session of Congress I introduced a bill for the appointment of agents to be used in the operation of the Federal farm loan law, but that bill is awaiting decision of the Supreme Court on the matter.

The Clerk read as follows:

Office of Supervising Architect: Supervising Architect, \$5,000; executive officer, \$3,250; technical officer, \$3,000; drafting division—superintendent \$3,000, assistant superintendent \$2,750; mechanical engineering division—superintendent \$2,750, assistant superintendent \$2,400; structural division—superintendent \$2,750, assistant superintendent \$2,400; superintendents—computing division \$2,750, repairs division \$2,400, accounts division \$2,500, maintenance division \$2,500; files and records division—chief \$2,500, assistant chief \$2,250; head draftsman, \$2,500; 8 administrative clerks, at \$2,000 each; 4 technical clerks, at \$1,800 each; clerks—9 of class 4, additional to 1 of class 4 as bookkeeper \$100, 4 at \$1,700 each, 14 of class 3, 6 at \$1,500 each, 13 of class 2, 8 at \$1,300 each, 21 of class 1, 4 at \$1,100 each, 7 at \$1,000 each, 3 at \$900 each, 2 at \$840 each; photographer, \$2,000; foreman, duplicating gallery, \$1,800; 2 duplicating paper chemists, at \$1,200 each; foreman, vault, safe, and lock shop, \$1,200; 5 messengers; messenger boys—1 \$600, 2 at 480 each, 2 at \$360 each; skilled laborers—4 at \$1,000 each, 7 at \$900 each, 1 \$900, 1 \$840; laborers—1 \$660, 1 \$600; in all, \$219,580.

Mr. WOOD of Indiana. Mr. Chairman, I move to amend, in line 15, page 46, by striking out the word "galley" and inserting the word "gallery."

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WOOD of Indiana: Page 46, line 15, strike out the word "galley" and insert in lieu thereof the word "gallery."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Office of Comptroller of the Treasury: Comptroller, \$6,000; assistant comptroller, \$4,500; attorneys—3 at \$4,000 each, 3 at \$3,000 each; chief clerk, \$2,500; chief law clerk, \$2,500; law clerks—4 at \$2,400 each, 3 at \$2,200 each, 13 at \$2,000 each; 5 expert accountants, at \$2,100 each; private secretary, \$1,800; clerks—15 of class 4, 10 of class 3, 7 of class 2, 6 of class 1, 1 \$1,000; 3 messengers; 3 assistant messengers; laborer; in all, \$157,340.

Mr. DAVIS of Tennessee. Mr. Chairman, I move to strike out the last word for the purpose of reading this telegram:

FAYETTEVILLE, TENN., January 8, 1921.

EWING L. DAVIS,

Washington, D. C.:

We notice editorial in New York World to effect, "Federal Reserve System may be changed." We believe dealing with Federal Reserve System at this time looking to radical change would work great hardships on Tennessee banks.

H. E. DRYDEN,

President Elk National Bank.

J. M. HUDSON,

President Farmers' National Bank.

F. M. BLEDSOE,

President First National Bank.

Mr. Chairman, while a movement is undoubtedly on foot to repeal or very materially impair the Federal reserve act, yet it is really difficult to believe that Congress will give serious consideration to any such proposition. The gentlemen signing this telegram are undoubtedly correct in making the statement that such a course would work great hardships on Tennessee banks. It is equally true that it would work a great hardship upon all the banks in this country doing a legitimate banking business and would equally work a great hardship upon all the citizens generally.

For more than 40 years before Woodrow Wilson was elected President the very great need of a reform of our banking and currency system had been almost universally recognized and demanded. During this entire period there was an average of one bank failure every 21 days. Panics occurred with almost periodic regularity. The Republican Party was either unable or unwilling to diagnose the disease or prescribe a remedy. Because of a persistent public demand for relief, they did from time to time pretend to administer a palliative—to treat the symptoms—but they never struck at or reached the source of the disease. When a Democratic President and a Democratic Congress went into office in 1913 they at once went to work to solve this problem. They correctly diagnosed the disease and promptly prescribed and administered a proper remedy. A Democratic President and a Democratic Congress originated, framed, and enacted the Federal reserve act. This act decentralized the money and money power of the country. It took it away from one small street in one city on the eastern seaboard and distributed it among the people generally in 12 different districts comprising the entire United States. This act supplied

the Nation with an elastic currency controlled by the American people. It produced a much wider diffusion of the country's wealth and credit. Prior to the operation of this act approximately 60 per cent of the total banking resources of the United States were centered in certain Eastern States, comprising only 6 per cent of the territory of the continental United States. Since the passage of this act there has been a phenomenal growth in the banking resources of other sections of the country, particularly in the West and South.

In spite of the 18 months of peril during the World War and 18 months of the strain of reconstruction, our national banks have grown more during the past seven years under the Federal Reserve System than they did during the entire 50 years from the inauguration of the national banking system in 1863 up to 1913. During the seven years since the enactment of this law there has been a greater percentage of increase in national-bank resources and earnings than during the 50-year period preceding. During this period the depositors in national banks have increased until they now number over 18,000,000.

As compared with the record of national-bank failures under the old Republican system, a most marvelous record has been made under the Federal Reserve System. Instead of such a failure every 21 days, after the passage of the Federal reserve act there were in 1914 four bank failures; in 1916 and 1917, three bank failures; in 1918, one bank failure; and in 1919 there was no failure of any national bank in the entire United States involving one dollar's loss to any depositor. [Applause.] Even during the past year of swift declines and falling prices, according to a recent report of the Comptroller of the Treasury, there were only five small banks in the United States that went into the hands of receivers, and their combined capital stock amounted to only \$205,000. This is less than one-eighth of the yearly average of the capital of national banks which have failed in the 56 years since the original establishment of the national banking system.

This great Federal Reserve System enabled America to successfully withstand the strain of war without shock or panic and almost without any failures. Under its beneficent provisions this Nation was converted almost overnight from a peace basis to a war basis; our citizenship and industries were mobilized for war; we marshaled, trained, and equipped the largest Army ever raised in a similar period of time; in order to do this and at the same time aid our allies, we raised and expended the greatest sum of money ever raised and expended during a similar period by any nation in all the tide of time. During the time that we were performing these stupendous tasks this country enjoyed the most unparalleled prosperity in its history; we were converted from a debtor Nation to the greatest creditor Nation on earth. No informed, fair-minded man will deny that such achievements would have been absolutely impossible except under and by reason of the wise provisions of the Federal Reserve System. The Federal reserve act is almost universally conceded to be the greatest piece of constructive monetary legislation ever enacted in any country at any time.

In view of the marvelously beneficent results flowing from the enactment and operation of the Federal Reserve System, to which I have made but brief reference, it is almost inconceivable that any great party would seek its repeal or its virtual destruction by amendment. However, we must not lose sight of the fact that this great act was passed over the bitter opposition and protests of the Republicans in the House and the Senate. Not a single Democrat voted against it, either in the House or the Senate; on the other hand, but three Senators and but a small sprinkle of Representatives voted for it. For a considerable time there have been indications here and there that Republican leaders, particularly those of the stand-pat element, are lending an attentive ear to the demands of Wall Street and certain other big interests, which so strenuously opposed the passage of the bill and who have never ceased to chafe by reason of the fact that they were shorn of so much of their power.

In his speech accepting the Democratic nomination for President, Gov. Cox employed the following language:

The Federal reserve act is admitted to be the most constructive monetary legislation in history. At a stroke it transferred the power over money and credit and all they represent from one financial district out into the keeping of the people themselves and, instead of one center to which all paid tribute, there are 12 citadels of financial freedom where every citizen has an equal right and where the principle that the credit of American business shall be free is the basis of administration. Every citizen should be alert to guard this great institution, which is his guaranty of credit independence. It should be kept from the hands of those who have never been its friends, and who by changes in a few obscure phrases could translate it into a greater power for evil than it ever has been for good. It is almost unnecessary to speak of the Federal Reserve System in connection with the winning of the war, as, next to the consecration of our manhood and womanhood itself, the greatest factor was the marshaling into one unit through the Federal reserve banks of the stupendous wealth of America.

In my speeches during the recent campaign I warned the people that if the Republicans should come into complete control there would be grave danger of them either repealing the Federal reserve act or destroying its usefulness by amendment. Numerous other Democratic speakers sounded similar warnings. Knowing the value and popularity of the Federal Reserve System, the Republicans did not dare to openly indicate a desire to effect its destruction prior to the election. However, they are now growing bolder. At this point I insert in the RECORD an illuminative article on this subject which appeared in the Nashville Tennessean, January 8, 1921, as follows:

HANDS OFF RESERVE BANK.

Senator CHARLES CURTIS, of Kansas, Republican whip in the United States Senate, has the following to say on emerging from a conference with Senator WARREN G. HARDING at Marion:

"At a proper time I intend to suggest an amendment to the Federal reserve plan that will look to establishing the original Republican program of a central bank with branches. This would make it possible for the system to accomplish the results for which it was intended—the provision of proper financial facilities without intention of earning profits.

"The present difficulty is that the regional banks are in competition with each other to earn as much money as possible."

Gov. James M. Cox made the charge repeatedly during the presidential campaign that the Republican Party was making a drive for control of the finances of the Nation. CURTIS now admits it.

The Federal Reserve System is the product of Democratic brains. It was written into the laws by a Democratic Congress over the opposition of the Republicans of the United States Senate.

The Federal Reserve System is the greatest single piece of constructive fiscal legislation ever placed upon the statute books of this or any other country. It has withstood every attack and weathered the storm of reconstruction. For the first time in history the United States of America has been free from a financial panic after a great war.

Through the operation of the Federal Reserve System the small banks of this country ever have had a ready supply of funds. Under the old system the gold of the Nation was hoarded by a few banks in New York and panics made easy—despoiling the great bulk of our population and enriching the few bankers of Wall Street who were on the inside.

It is not too long ago to remember the panic of 1907—the so-called "rich-man's" panic. At that time banks in the interior could not obtain funds from the New York banks which were indebted to them. The safety clauses in savings bank accounts were invoked. Depositors were forced to wait 30, 60, or 90 days, as the law provided. Working-men were paid off in scrip by large corporations because there was no money to be had. Merchants were forced to accept this scrip for necessities.

That was the so-called "rich-man's" panic of 1907 which brought the late Theodore Roosevelt to beg a truce of the late J. P. Morgan in the White House.

The Curtis plan is to revert to the early days of the Republic and the establishment of a central bank.

The old Republican doctrine was to allow a few chosen financiers to dictate the fiscal policies of the Nation, and place them in a position to make even Presidents bend to their will.

The new doctrine is to place the control of the Nation's money in the control of politicians.

As suggested last August by Gov. Cox, it behooves every citizen to "be alert to guard this great institution." My constituents, who sent the telegram which I read, are alert to the danger. I sincerely trust that all the friends of the Federal Reserve System will become alert ere it is too late.

As previously suggested, it is difficult to believe that there will be a serious effort to change such a beneficent system, although we may well be upon our guard, because there is undoubtedly an effort on foot to bring about a change by those interests who will be benefited by such a change, and who were deprived of the enormous power which they possessed previous to the enactment of this law. [Applause.]

The Clerk read as follows:

For temporary employees in the office of the Comptroller of the Treasury, \$20,000: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$4,000 per annum.

Mr. SNELL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 47, strike out lines 5, 6, 7, and 8.

Mr. SNELL. Mr. Chairman, I am very much disturbed at the great number of lump-sum appropriations for temporary employees carried in this bill. I think it is time that the House met this question fairly face to face, and went on record as to whether we are in favor of continuing all these extra employees in the District of Columbia. Probably every man in the House who made a speech last fall before election said that he was in favor of decreasing the Government expenses, and especially beginning this retrenchment right here in Washington and cutting out the extra number of civil employees at the present time. According to the statement made by the chairman of the committee on the floor the other day, there are still about 90,000 civil employees in this city, and there were only about 110,000 to 117,000 at the height during the war activities. I believe the country at large has a right to make caustic comment on the business operations of this Government if we still continue to keep 90,000 civil employees here nearly three years

after the war has closed. If there was opportunity to have a roll call on the proposition, I would demand it. I want every man down in black and white, showing just where he stands on this question of the temporary Government employees. I want to know whether they are in favor of going back to pre-war conditions or not. The distinguished ex-Speaker of this House [Mr. CLARK of Missouri] said that the only possible way to get rid of them was to stop the appropriations. I for one am willing to assume my share of the responsibility of stopping the appropriations. If we go too far in some individual case and the chief of the department finds that he can not do the work, then I would like to try a new chief for a little while and see what he could do.

I have looked over the hearings. The members of the committee honestly tried to get some information but were not successful, and I maintain there is not a particle of definite information in these hearings in regard to these temporary employees. Take the hearings on the item in hand at the present time. Let me read from those hearings at page 433:

Mr. WOOD. How many people did you have before the war?

Mr. HERNDON. I do not think there has been any material increase. Mr. CUTTS could probably tell you.

Mr. CUTTS. We had about the same number.

Mr. HERNDON. We had about the same number; but you gave us one additional clerk last year and one multigraph operator.

Mr. CUTTS. And may I answer further, Mr. Chairman? Prior to that time the only substantial increase in the force of the comptroller's office was for the fiscal year 1916. For years subsequent to 1916 we were granted no increase in the force of the office; the work of the office has increased, yet the personnel has remained practically the same.

Mr. WOOD of Indiana. The gentleman is not reading the testimony if he is reading it in reference to this activity.

Mr. SNELL. This is for additional employees for this department.

Mr. WOOD of Indiana. It is not in reference to this item.

Mr. SNELL. It is in connection with this request for additional employees in these departments; and in general it shows the character of testimony on this subject; there is nothing definite in it. They do not give you any definite information in any of these hearings whereby these additional employees should be continued. I claim that the time has come for Congress to stand up and do what it should and cut out these extra employees brought here on account of the war. To stand up here and say whether we want these additional temporary employees kept in Washington or not and I would like to get a fair and square vote on the matter. I think if it is proper at the end of this bill I shall offer a motion to recommit and get Members on record as to whether they want to keep these additional employees continuously in Washington or stop this unnecessary expense as the people want them to do.

Mr. WOOD of Indiana. Mr. Chairman, I admire and wish to commend the zeal of the gentleman from New York to reduce the number of employees in the city of Washington, but we must do it with some judgment. The amendment proposes to take away from the control of the Treasury some \$20,000 for temporary employees. I will state to the gentleman that we reduced the amount requested one-half, and the reason why we permitted this sum of \$20,000 to remain, there are a very great many claims against the Government, all of which possibly have to come to the comptroller to be passed upon. These claims are, I am happy to say, diminishing to some extent, but there are hundreds and thousands of them yet, and until they have been reduced to the least possible minimum there will be of necessity some occasion for temporary employees in this department. The comptroller asked that all these be made permanent, but in order that we might have a chance to get rid of them, because it is mighty hard to get rid of them after they are on the statutory roll, we continued this temporary appropriation.

Mr. SNELL. It can not be done unless we cut off the appropriations.

Mr. WOOD of Indiana. We saw fit, and we think we were justified, to continue the small lump-sum appropriations. I will state to the gentleman also that we cut out of the request for statutory positions some half a dozen asked for by the comptroller. I believe we have cut the comptroller's department as much as we should.

Mr. SNELL. Is it not a fact that these heads of departments always ask two or three times as much as they get?

Mr. WOOD of Indiana. Some of them do.

Mr. SNELL. The fact that the estimate is cut is not conclusive that you really cut the appropriations which are made by Congress.

Mr. WOOD of Indiana. That is one of the unfortunate things the committee has to contend with. Some gentlemen proceed upon the theory that they make enormous estimates in order to get a little appropriation, but that does not obtain in every

case; but it does confuse and make hard sometimes the effort to discriminate between those who are making an honest estimate in the presentation of their wants against those who are making fictitious estimates, expecting them to be cut down.

The great trouble is practically the want of information which we can not get from the heads of these bureaus who present their claims?

Mr. SNELL. What would be the harm once in trying to cut out these appropriations and see what happens and take the responsibility of trying some new head of a department if the present one will not accomplish the work necessary to be done?

Mr. WOOD of Indiana. To make the cut the gentleman suggests now I think would be ill-advised for the reason that a great many of these claims have been allowed by the various claims boards and are awaiting final action by the comptroller. That would perhaps make it very unfortunate not only for the comptroller's office, but it would result in great hardship to the people entitled to their money on these claims which were honest.

Mr. MANN of Illinois. Will the gentleman yield?

Mr. WOOD of Indiana. I will.

Mr. MANN of Illinois. I assume, I ask for information, that growing out of the war there are a large number of claims, more than would ordinarily occur?

Mr. WOOD of Indiana. There are.

Mr. MANN of Illinois. And that many of those having been passed upon by the auditors are referred to the Comptroller of the Treasury for final disposition?

Mr. WOOD of Indiana. That is true; that is the reason it is suggested that he be allowed, perhaps, during the next current year, some additional help.

Mr. SNELL. Will the gentleman yield for one more question?

Mr. WOOD of Indiana. Yes.

Mr. SNELL. Every time we bring up this proposition some Member says that it is all right to do this, but this is not the place. As far as I am concerned, I think we ought to make the start here. I believe that is the way to do it and the people want it done.

Mr. WOOD of Indiana. There is no one more anxious to cut this than this committee, and I think we have done a pretty good job of it. We have cut, perhaps, in some places where we had no light, where we should not have cut, but where we have light and where we think it would be bad judgment to cut we think we would be doing an injustice to the Government in making that cut and we did not think that would be justified.

Mr. BLANTON. Mr. Chairman, I move to strike out the last two words. As one Member, I would like to state to the gentleman from New York I believe we could cut every single appropriation in every supply bill which comes up here half in two and the people of the country and the Government would get along just as well and their business would be attended to just the same. I want to ask the gentleman from New York this question: If he really wants to cut down these employees he can start pretty well in one way by going down here to the Bureau of Printing and Engraving and going down into those basement cellars and digging up that splendid, fine labor-saving machinery, which cost this Government thousands of dollars, and putting it back into operation again, as it will take the place of numerous employees just now.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. Of Government employees who will not let the Government use that machinery, although it is the Government's machinery.

Mr. SNELL. Perhaps if we cut out some of these employees it will force them to put this machinery to work.

Mr. BLANTON. You should put that machinery into use, which is the right of this Government to put its own machinery into use, and just as soon as you put it into use it will do the work which numerous men and women are now doing, and they can be taken off of the pay roll and sent home.

Mr. SNELL. If we cut off the appropriation, would that not send some of them home?

Mr. BLANTON. Yes.

Mr. SNELL. Let us vote to do it.

Mr. BLANTON. And at the same time use our own machinery, that we bought and paid for.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. SNELL].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of Auditor for Navy Department: Auditor, \$4,000; chief clerk and chief of division, \$2,250; law clerk, \$2,000; 2 chiefs of division, at \$2,000 each; 2 assistant chiefs of division, at \$2,000 each; clerks—

27 of class 4, 45 of class 3, 45 of class 2, 65 of class 1, 35 at \$1,000 each, 7 at \$900 each; helper, \$900; messenger: 2 assistant messengers; 3 laborers; messenger boy, \$480; in all, \$324,790.

Mr. MANSFIELD. Mr. Chairman, I move to strike out the last word.

While on the subject of the expenditures in the Navy Department and the War Department, I want to call the committee's attention to the remarkable condition of affairs now existing in this country. I clipped from the Washington Times of yesterday afternoon a press report, showing from the statement of Dr. E. B. Rosa, of the Bureau of Standards, that 93 per cent of the expenditures of this Government to-day are due to war and preparedness purposes. The statement says:

Obligations arising from the war or preparedness for the future form the biggest part of the expenses of the Government of the United States, according to Dr. E. B. Rosa, chief physicist of the Bureau of Standards, who has made a scientific study of the expenditures of the Government. The result of his research shows that 93 per cent of the money spent in running the Government was for the Army and Navy, railroad deficit, Shipping Board, pensions, war-risk insurance, and interest on the public debt.

The other 7 per cent was spent as follows: Three per cent for administrative purposes, 3 per cent for public works, and 1 per cent for research, education, and development.

Dr. Rosa used the expenditures of the fiscal year 1920 in making his research.

Mr. Chairman, in the face of all this we have coming to us from a Democratic Secretary of War and from a Democratic Secretary of the Navy recommendations for the expenditure for the coming year of \$1,414,000,000 for the Army and Navy. Such increase as that, sir, coming from men purporting to be Democrats, a few years ago would have been considered appalling. Men who would make application to the Democratic Party for admission, with such recommendations as that, would have been met with so many blackballs that they would have been barred from membership for at least a decade.

Mr. Chairman, I did not want to let this opportunity pass without calling the attention of this committee and calling the attention of the taxpayers of this country to the fact that now 93 per cent of the money taken from the taxpayers for the purposes of running this Government is devoted to purposes of war and warlike preparation in this vaunted age of civilization. [Applause.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of Auditor for the State and Other Departments: Auditor, \$4,000; chief clerk and chief of division, \$2,250; law clerk, \$2,000; 2 chiefs of divisions, at \$2,000 each; clerks—23 of class 4, 1 of class 4 (special examiner), 26 of class 3, 22 of class 2, 28 of class 1, 10 at \$1,000 each, 3 at \$900 each; messenger; 3 assistant messengers; 2 laborers; in all, \$178,470.

Mr. MANN of Illinois. Mr. Chairman, I move to strike out the last word.

We just passed the office of the Auditor for the Navy Department and the office of Auditor for the War Department. I just wondered if I could get a little information. I do not know that these auditors have anything to do with the subject about which I wish to inquire. The Army and Navy seized various tracts of land during the war and took possession of them and ousted the owners. Whether the title has passed to the Government or not, I do not know. But they never paid for the land. There ought to be some adjustment of those matters in some way.

At the Lake Bluffs Naval Training Station, if I am correctly informed, they seized a man's farm and have enlarged the training station. I do not know whether they want the land or not, but they never made any compensation for the land or for taking the land. I just wondered if anything relating to that had ever come out before the committee.

Mr. WOOD of Indiana. The Judge Advocate of the Navy informed the committee that that is one of the things they are trying to settle now, so far as the activities of the Navy are concerned in taking these lands. There is a board in the War Department that is trying to adjust those matters in that department, and that is one of the excuses for one of their claims boards. I understand, but I may be mistaken as to that, that the money was appropriated for the Navy condemnation.

Mr. MANN of Illinois. I think not, although I would not say.

Mr. WOOD of Indiana. I may be mistaken about that, but I thought it was.

Mr. MANN of Illinois. I think not, because I was told that the matter was under consideration by the Committee on Naval Affairs as to the naval expropriation of property and was under consideration by the Committee on Military Affairs as to the property seized by the Government under the Army.

Mr. WOOD of Indiana. I know this, that in both the Army and Navy there are a number of these claims pending before the different legal departments.

Mr. SNELL. Will the gentleman yield for another question? Mr. WOOD of Indiana. I yield.

Mr. SNELL. What is the difference in the grade of the auditors employed in the Treasury Department and in the War Department? Both, according to the language of the bill, are to audit accounts and vouchers of the bureaus and officers of the departments, and one receives \$1,200, in the Treasury Department, and the one in the War Department receives \$1,800.

Mr. WOOD of Indiana. All of these officers are officials of one department. They are all in the Treasury Department. The difference in the salaries they receive is one of those unexplainable and impossible conditions that we find ourselves in with reference to the variation of salaries that have been granted from time to time by various committees.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired. The Clerk will read.

The Clerk read as follows:

Postal Savings System: Clerks—11 at \$1,000 each; 7 skilled laborers at \$900 each; in all, \$17,300.

Mr. ANDREWS of Nebraska. Mr. Chairman, I move to strike out the last word.

A question has been raised with reference to the discrepancy in salaries of the auditors in the Treasury Department. For an extended period of years their salaries were uniform. Soon after the work began on the construction of the Panama Canal the Auditor for the War Department accompanied a congressional delegation to the canal. Former Senator Beveridge was a member of the delegation, and the Auditor for the War Department was a gentleman from Indiana. The next appropriation bill allowed him \$1,000 additional for auditing the accounts of the Panama Canal. He is allowed \$1,000 in the legislative bill regularly, making \$5,000 in all. The Auditor for the Post Office Department, receiving \$5,000, got that increase under Mr. Charles D. Norton, former Assistant Secretary of the Treasury, for certain special favors. That former Auditor for the Post Office Department is now the postmaster in this city.

The Clerk read as follows:

For the force employed in redeeming the Federal reserve and national currency (to be reimbursed by the Federal reserve and national banks): Superintendent, \$3,500; teller, \$2,500; bookkeeper, \$2,400; assistant tellers—1 \$2,250, 1 \$2,000; assistant bookkeeper, \$2,000; clerks—5 of class 4, 7 of class 3, 9 of class 2; expert counters—25 at \$1,200 each, 56 at \$1,000 each, 52 at \$900 each, 35 at \$800 each; 2 messengers; 4 assistant messengers; 4 charwomen; in all, \$225,770.

Mr. HUDSPETH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. HUDSPETH. I want to ask the chairman of the committee a question. Are these salaries here of the employees of the Treasury Department fixed by statute?

Mr. WOOD of Indiana. Yes, sir; that is, the statutory places.

Mr. HUDSPETH. Is the salary of the Chief of the Division of Appointment fixed by statute?

Mr. WOOD of Indiana. I think it is. The act of 1914 established the rate of pay.

Mr. HUDSPETH. I wanted to move an amendment to raise his salary, but if it is fixed by statute I can not do it.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Office of Register of the Treasury: Register, \$4,000; assistant register, \$2,500; 4 chiefs of division at \$2,000 each; clerks—2 of class 4, 2 of class 3, 10 of class 2, 13 of class 1, 110 at \$1,000 each, 1 \$900; messengers—2 at \$840 each, 1 \$720; 5 laborers; in all \$167,500.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. JONES of Texas. I wanted to ask a question for information. I understand that there are a great many employees in the register's office who are doing nothing except taking the coupons from the bonds after they have been canceled and paid, and the records made in the regular way, and assorting them and filing them away. I wondered what was the necessity of keeping and preserving those canceled coupons and going through the process of doing it.

Mr. WOOD of Indiana. Some time or other these bonds to which coupons are attached will have to be redeemed, and there will have to be a final adjudication then. It is one of the safeguards against forgery, of course, which makes it essential that they shall be preserved. They tell me that now, occasionally, they have reason to hunt up these old coupons with reference to disputed claims as to bonds issued during the Civil War and lost.

Mr. JONES of Texas. In that connection, these bonds are clipped and cashed by people, and there is no record as to who cashed them. You can clip off the coupons from the bonds and take them to the bank and cash them, and there is no record made of who did it.

Mr. WOOD of Indiana. But you have the canceled coupons. Ten years from now and always the Government will cash its coupons, no matter when presented. I should say there are thousands and thousands of coupons of the first bonds that have never been presented yet. Suppose these coupons are lost, and then recovered 10 or 15 years from now, and then presented. One of the first things necessary is to see whether that bond has ever been redeemed. This is what happens: The bookkeeping department keeps accounts of the bonds that are received within each redemption period. There are a great many that are not redeemed. They keep coming in, scattered along and scattered along, and they keep on doing that for years. If they do not have the canceled coupons it would be impossible to tell, as against a good forgery, whether they had ever been redeemed.

Mr. JONES of Texas. If the first was a forgery, that would not prevent them from determining as to the last one; and if the first ones were genuine, true originals, and the last one a forgery, that would not prevent them from determining that.

Mr. WOOD of Indiana. Suppose they find they have already redeemed a coupon, and another coupon bearing the same number on the same bond turns up: It would be up to the department to determine whether they had paid somebody on a forged coupon or were paying somebody on an original coupon. They might never be able to catch the thief, but they might do a great injustice to the original owner of the genuine bond.

Mr. JONES of Texas. I want to state this in connection with that: It does not seem to me that the explanation justifies the great expenditure. I understand that after these coupons are canceled and paid and a record is made of them, so that they have a record of all that have been paid, they keep a great many clerks down here in the Southern Building who file these coupons away carefully. I understand when money is canceled it is destroyed. I do not see why the same process could not be used with these canceled coupons. As a matter of fact, after these hundreds of people have filed away these coupons, ultimately they will be destroyed, and that will take another bunch to check them up and see that they are all there, and then destroyed. Their records can show whether they have paid these coupons. There is nothing on the coupon itself to indicate to whom it is paid, and the record would have no value except to show that it is paid. They have the record showing that the money was paid, and the complete records kept in the Treasury Department show absolutely that these coupons have been redeemed; so that I can see absolutely no purpose in this.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KING. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. KING. I do this for the purpose of asking for some information from the chairman of the committee. I see, at the bottom of page 51, an appropriation is made for certain clerks in redeeming Federal reserve and national currency. What is the character of the work that these clerks do in redeeming Federal reserve notes?

Mr. WOOD of Indiana. I understand that the life of the Federal reserve note, depending somewhat upon its denomination, is about 12 months. Some of them do not last that long. They are in a constant state of change. They are redeeming the old ones, and new ones are being issued, and that is the purpose of these clerks.

Mr. KING. Do they have to do with the keeping of a record of the notes received from the Federal reserve banks that have been discounted?

Mr. WOOD of Indiana. Oh, no. This is the paper, the circulating medium.

Mr. KING. Simply the circulating medium?

Mr. WOOD of Indiana. Yes.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For contingent expenses of the Bureau of the Mint, to be expended under the direction of the director: For assay laboratory chemicals, fuel, materials, balances, weights, and other necessities, including books, periodicals, specimens of coins, ores, and incidentals, \$1,000.

Mr. GARD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. GARD. I do so for the purpose of asking the chairman what has become of the appropriation for the assay offices?

Mr. WOOD of Indiana. They come later on in the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For purchase, exchange, maintenance, and repair of motor trucks; purchase, exchange, and maintenance of horses, including shoeing; purchase and repair of wagons, horse-drawn passenger-carrying vehicles, and harness, all to be used for official purposes only, \$5,000: *Provided*, That within 30 days after the approval of this act the Secretary of War shall transfer without payment therefor to the Secretary of the Treasury for use of the Treasury Department three light motor trucks.

Mr. GARD. Mr. Chairman, I make a point of order against the proviso beginning with the word "*Provided*," in line 2, page 59, and ending with the word "trucks," in line 6, on the same page.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

For expenses of assessing and collecting the internal-revenue taxes, as provided by the revenue act of 1918, including the employment of the necessary officers, attorneys, experts, agents, accountants, inspectors, deputy collectors, clerks, janitors, and messengers in the District of Columbia and the several collection districts, to be appointed as provided by law, telegraph and telephone service, rental of quarters outside the District of Columbia, postage, freight, express, and other necessary miscellaneous expenses, and the purchase of such supplies, equipment, furniture, mechanical devices, printing, stationery, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia and the several collection districts, \$30,000,000: *Provided*, That not more than \$500,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation.

Mr. GARD. Mr. Chairman, I reserve a point of order against the paragraph beginning in line 14 and ending in line 19, on page 63, for the purpose of asking what is the intent of this proviso. It seeks to segregate \$500,000 out of the \$30,000,000 for the purpose of detecting and bringing to trial persons guilty of violating the internal-revenue laws, or conniving at the same, including payments for information and detection of such violation. Is that supposed to be in addition to the amount set apart for the enforcement of the national prohibition act, or in connection with the narcotic act?

Mr. WOOD of Indiana. This is what is known as the fraud fund, for the purpose of detecting frauds practiced upon the internal revenue. It has nothing to do with the Volstead prohibition enforcement act or the narcotic act.

Mr. GARD. Neither the narcotic act nor the prohibition act.

Mr. WOOD of Indiana. No.

Mr. GARD. What is meant by the expression "conniving"—persons guilty of violating the internal-revenue laws or conniving at the same?

Mr. WOOD of Indiana. That means aiding or conspiring.

Mr. GARD. I do not know whether "conniving" is a very accurate legal expression.

Mr. WOOD of Indiana. It may not be. This is the language that they have carried in this item for some time, and the one that they submitted to us, and we did not change it. I do not know how much "conniving" may mean, or what latitude they take under that expression. I will state that only \$31,000 was used out of this fund last year.

Mr. GARD. Was it used last year for the purposes of detecting, or was it used for the purpose of examining returns filed with the Commissioner of Internal Revenue, as to which there was suspicion that there might be some fraud?

Mr. WOOD of Indiana. It is a part of the detective service. Sometimes it is used for getting information, and sometimes for laying traps for those fellows who are conniving and violating the internal-revenue laws. It is a part of the secret service fund, used largely by the secret service of the internal revenue.

Mr. KNUTSON. Mr. Chairman, will the gentleman from Indiana yield for a question?

Mr. WOOD of Indiana. Yes.

Mr. KNUTSON. On page 63, lines 18 and 19, appear the words—

Including payments for information.

Is there any fixed amount that those who give information receive, or is that left to the discretion of the chief enforcement officer?

Mr. WOOD of Indiana. I have not seen any schedule which states any particular amount for any special service.

Mr. KNUTSON. There are no market quotations published.

Mr. WOOD of Indiana. No; they are not published.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. KNUTSON. Reserving the right to object, Mr. Chairman, how many pages does the gentleman intend to use?

Mr. MANSFIELD. I do not know; perhaps half a page, possibly more.

Mr. KNUTSON. I have no objection.

Mr. GALLIVAN. I should like to ask the gentleman from Indiana a question. I want to find out whether there is a legal definition of the word "conniving."

Mr. WOOD of Indiana. Yes; there is a legal definition.

Mr. GALLIVAN. May I ask the gentleman what the legal definition is?

Mr. WOOD of Indiana. In order that the gentleman may be thoroughly advised, I would suggest that he get the latest unabridged dictionary. That will give the legal and also the ordinary definition.

Mr. GALLIVAN. I have not heard the gentleman's definition of the word "conniving," if that is what he is trying to convey.

Mr. MANN of Illinois. This is the definition: That you gentlemen are conniving now to amuse the House. [Laughter.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For refunding taxes illegally collected under the provisions of sections 3220 and 3689, Revised Statutes, as amended by the act of February 24, 1919, \$12,000,000, of which not to exceed \$8,000,000 may be used for the payment of such claims accruing prior to July 1, 1920, without special authorization and appropriation by Congress in each individual case: *Provided*, That a report shall be made to Congress of the disbursements hereunder as required by the act of February 24, 1919.

Mr. ANDREWS of Nebraska. Mr. Chairman, I move to strike out the last word. I should like to ask the chairman of the committee whether the purpose of this paragraph is to prevent the requirement for forwarding to the Committee on Appropriations of statements from the Division of Bookkeeping and Warrants as to the certificates issued by the Auditor for the Treasury Department upon which payments are made, and if this appropriation is to be drawn upon without any report to Congress upon that subject?

Mr. WOOD of Indiana. No. Out of this \$8,000,000 are paid the claims against the Internal Revenue Bureau for amounts that have been overpaid and which have been adjudicated in favor of the taxpayer, without having to get an individual authorization of Congress in each case. Of course, they will have to make a report to Congress. We give them this latitude to pay adjusted claims out of this \$8,000,000.

Mr. ANDREWS of Nebraska. That is, we let them steal the horse and then close the door afterwards.

Mr. WOOD of Indiana. The door has not been opened, unless the courts of justice are conniving at fraud, for payment can not be made except after the matter has been adjudicated.

Mr. ANDREWS of Nebraska. Not in court.

Mr. WOOD of Indiana. Adjudicated and finally passed upon by the comptroller.

Mr. ANDREWS of Nebraska. No; not by the comptroller. That is an error. These claims are passed upon by the Commissioner of Internal Revenue, and he certifies the amount to the Auditor for the Treasury Department, and the auditor issues a certificate directing the issuance of a settlement warrant. It is upon that basis that these matters would come here, provided the fund out of which they could be legally paid under the permanent statute had not lapsed to the surplus fund. This puts it in shape so that they can proceed with these payments without reporting here as to the certificates that have been issued and a statement from the Division of Bookkeeping and Warrants to that effect.

Mr. MANN of Illinois. Mr. Chairman, I rise to oppose the pro forma amendment, to get a little information in reference to this item, which I supposed was for the purpose of authorizing the Treasury Department to pay back income taxes that are illegally collected without coming to Congress and asking for a special appropriation.

Mr. WOOD of Indiana. Illegally or erroneously?

Mr. MANN of Illinois. I suppose erroneously would be the proper term.

Mr. ANDREWS of Nebraska. The gentleman has the right phrase.

Mr. MANN of Illinois. I did not catch the idea of the gentleman from Nebraska [Mr. ANDREWS] about what ought to be done about reporting this to Congress. Do I understand the gentleman that this money, although in very small amounts,

should be reported to Congress and acted upon by Congress specifically?

Mr. ANDREWS of Nebraska. I do not, except in certain cases. The law provides that within two years after the close of the year in which the cause of action accrued there is an available appropriation out of which the payment can be made. If the Internal Revenue Commissioner delays the settlement until it goes beyond the two years, then these items would come in under that heading, and this is in Congress simply because of delay on the part of the Commissioner of Internal Revenue in settling these accounts. Take a concrete example, if I may explain. A case recently came to my desk showing that the claim was filed for the refund of the taxes illegally paid in 1917. The commissioner did not state the account allowing that refund until July 31, 1920, when the fund out of which the payment could have been legally made had lapsed to the surplus fund.

When the auditor stated the account on the 27th of August following, the amount made available under the last legislative bill of \$1,000,000 for a purpose like this had also vanished. This whole matter comes up because of the delay in the office of the Commissioner of Internal Revenue for two years beyond the date when payment should be made.

Mr. MANN of Illinois. That does not give me the information that I want. I understood the gentleman was criticizing the item in the bill, although I may be mistaken about that. The delay is the delay of the Government and not the delay of the man to whom the money is due. What I want to get at is whether the gentleman thinks it desirable for the Government not to pay these claims when they are adjudicated and until Congress has acted upon the claims specifically.

Mr. ANDREWS of Nebraska. Mr. Chairman, if I may respond to that, I would say that this amount of \$8,000,000 fore-shadows a policy of paying these claims before a report is made.

Mr. MANN of Illinois. Before a report is made to whom?

Mr. ANDREWS of Nebraska. Before the report is made to Congress for the payment of these claims as they used to be paid.

Mr. MANN of Illinois. Then, do I understand the gentleman to say that where the Government has erroneously and illegally collected income tax or otherwise, it must not have a fund out of which it can refund that tax until it is reported to Congress and Congress has provided for it?

Mr. ANDREWS of Nebraska. No; I do not mean that. The Treasury has adequate funds to pay and will pay whenever the commissioner makes allowances within the statutory time.

The Clerk read as follows:

For expenses to enforce the provisions of the "national prohibition act" and the act entitled "An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon, all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or cocoa leaves, their salts, derivatives, or preparations, and for other purposes," approved December 17, 1914, as amended by the "revenue act of 1918," including the employment of executive officers, agents, inspectors, chemists, assistant chemists, supervisors, clerks, and messengers in the field and in the Bureau of Internal Revenue in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the act, and for the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books, necessary printing and binding, and such other expenditures as may be necessary in the District of Columbia and several field offices, and for rental of necessary quarters, \$3,500,000: *Provided*, That not to exceed \$49,500 of the foregoing sum shall be expended for rental of quarters in the District of Columbia: *Provided further*, That not to exceed \$750,000 of the foregoing sum shall be expended for enforcement of the provisions of the said act of December 17, 1914: *Provided further*, That not to exceed \$25,000 of the total amount appropriated shall be available for advances to be made by special disbursing agents when authorized by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.

Mr. VOLSTEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VOLSTEAD: Page 64, line 23, strike out "\$6,500,000" and insert in lieu thereof "\$7,100,000."

Mr. WOOD of Indiana. Mr. Chairman, I apprehend that there may be some little discussion on this proposition and I want to see if we can not agree on time. I suggest that all debate on this item and all amendments thereto close in 30 minutes, the time to be equally divided between those in favor of and those opposed to the proposition.

Mr. GALLIVAN. I would like to have 10 minutes.

Mr. WOOD of Indiana. Then say 40 minutes.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that the debate upon this paragraph and all amendments thereto close in 40 minutes, the time to be equally divided between those in favor of and those opposed to the proposition. Is there objection?

Mr. SABATH. Mr. Chairman, reserving the right to object, I understand that that is on this amendment?

Mr. WOOD of Indiana. On this amendment and all other amendments in this paragraph.

The CHAIRMAN. Is there objection?

Mr. GARD. Reserving the right to object, I think we would save time if we proceeded for a time.

The CHAIRMAN. Objection is heard.

Mr. VOLSTEAD. Mr. Chairman, I have examined the hearings very carefully on this bill, and I have been unable to find any reason why this sum of \$6,500,000 should be fixed. Last year the appropriation for these two services, the enforcement of the national prohibition act and the narcotic act, was \$5,500,000. There is a deficiency of \$1,000,000, which would make \$7,100,000, the amount expended for such enforcement. The Attorney General asks that the sum of \$7,500,000 be allowed. Personally I think that much ought to be allowed. Last year this service was not completely organized. The present force, if continued, will expend not only the \$7,100,000 that I am asking but very close to \$7,500,000. That this sum is necessary is evident when we come to consider the situation which has been complained of on this floor during the last day or two, namely, that the act is not effectually enforced. We ought to grant the money necessary for enforcement.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. VOLSTEAD. No; pardon. I only want to devote a few minutes to this subject.

The CHAIRMAN. The gentleman declines to yield.

Mr. VOLSTEAD. Mr. Chairman, I want to say this, that every dollar that we appropriate for this purpose will come back to the Government, in fact more than we appropriate. If we could get for enforcement the amount of money that is going to be collected either in taxes or fines—we have already assessed \$20,000,000 in taxes, and we have collected I do not know how much, but a very large amount in fines—we would easily be able to enforce this act. If the policy is going to be adopted of preventing appropriation of sufficient amounts of money to enforce prohibition, we want to know it. The country will not be fooled; the law-abiding people will want a fair trial of prohibition. The plea that the law is not as effective as some people think they can make it is not a matter for this committee to consider. The change that is suggested would, in my judgment, paralyze all enforcement, and I can not persuade myself that anyone who has given any serious consideration to the subject can differ with me or the Judiciary Committee on that subject.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

Mr. GALLIVAN. Mr. Chairman, I move to amend the amendment of the gentleman from Minnesota by striking out "\$7,100,000" and substituting in place thereof "\$100,000,000."

Mr. BLANTON. I ask that the gentleman get his dictionary—

Mr. GALLIVAN. I think it is time the gentleman from Texas has learned the rules of the House enough to know that he is out of order; I have the floor.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Massachusetts.

The Clerk read as follows:

Amendment offered by Mr. GALLIVAN to the amendment offered by Mr. VOLSTEAD. Strike out "\$7,100,000" and insert in lieu thereof "\$100,000,000."

Mr. GALLIVAN. Mr. Chairman, I was very much impressed by the closing words of the statement made by the distinguished chairman of the Committee on the Judiciary, in which he said that every dollar appropriated for the enforcement of the national prohibition act would be returned to the Treasury, so I want to see more money come back into the Treasury. [Applause.] Therefore, why give them this small mite of \$7,100,000? Let us go the whole distance, let us help the incoming administration out, let us get \$100,000,000 back by the enforcement of the national prohibition act. The gentleman's legislative advisor told me the other day that before he got through he would have Massachusetts spitting cotton. [Laughter.] I had the great pleasure of saying to Mr. Wayne B. Wheeler that so far as I was able to observe the only Commonwealth in this land that was spitting cotton was Massachusetts. That is the only State in this land where the national prohibition act is being enforced. Now, Mr. Chairman, on the 4th of May, 1920, I addressed this House for one hour on this subject, and I then predicted that it would cost this Government \$88,000,000 annually to enforce this act. I had an attentive audience. Mr. Wayne B. Wheeler subsequently challenged my figures, and I showed first of all that we had lost \$44,000,000 in taxes which

had been willingly paid by honest dealers in the liquor traffic and in other things; that when we considered appropriations for the enforcement act made by the Federal Government, by the State government, by the city government, by the town government, there would be \$44,000,000 added to the expense. My figures were challenged, and yet I was modest when I said that it would cost the people of America \$88,000,000 to enforce the prohibition act. I believe that \$100,000,000 is a little modest, I might say, and I repeat that so far as I have been able to learn by observation and inquiry the only State in the Union where this act is being enforced is the State of Massachusetts. I want to see the act in which my friend from Minnesota believes spread throughout all of this country, and its benign influence felt in every far-reaching part of our Republic. Without \$100,000,000, it is impossible to enforce this act, and I hope every sincere friend of that act will vote for my amendment. Do not play the hypocrite any longer; either stop this fool enforcement altogether or pass my amendment.

Mr. TOWNER. Mr. Chairman, it might be observed that if prohibition is enforced in the State of Massachusetts, where the gentleman resides, under existing appropriations, that it hardly is necessary for \$100,000,000 to be appropriated for the rest of the United States.

Mr. GALLIVAN. But I want to help the gentleman from Iowa; I want Iowa to get the benefit of this act. Surely he does not object to that.

Mr. TOWNER. I will suggest further that the gentleman's idea of replenishing the Treasury by paying out \$100,000,000 for the sake of receiving again \$100,000,000 is hardly a very good financial proposition.

Mr. GALLIVAN. I was quoting the gentleman's distinguished colleague, Mr. VOLSTEAD, who sits in front of him. He is my sole authority for that statement.

Mr. TOWNER. I refuse to yield to the gentleman from Massachusetts unless he asks me to yield. Seriously speaking, Mr. Chairman, one certainly expects that a question of this kind should have grave and careful consideration. We have a tremendous problem on hand and are trying to meet it to-day as reasonable men. Everyone knows that the problem of bringing this country from a liquor producing, liquor drinking, and liquor dealing down to a prohibition status is no mean task. I think gentlemen who will honestly investigate the situation will find we have made not only great progress but astounding progress in that direction. [Applause.] I think if we take into consideration the immense territory, the millions of people, and the territory to be covered there is at least a satisfactory condition of carrying out the methods and purposes of that law, and that we can look upon those isolated places and portions of the country with a great deal of complacency where they are yet endeavoring to make the law nugatory. I believe that it is our serious duty as legislators, and that having the mandate of the country to enforce this law we can certainly take no backward step in this second year of progress in that direction. If \$7,100,000 was needed last year, certainly it is needed this year. If we reduce the amount of the appropriations that are to be made this year from that year, it will be an invitation to every man who desires to have this law repealed, to everyone who desires to discredit it, to everyone who hopes that it can not be made effective—it will encourage them to resist still further the enforcement of this law. For that reason it seems to me that the amendment offered by the gentleman from Minnesota is reasonable and fair and ought to receive the approval of the committee. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I move that all debate on this paragraph and amendments thereto be closed in 30 minutes.

The CHAIRMAN. The gentleman from Indiana moves that all debate on this paragraph and amendments thereto close in 30 minutes. Is there objection?

Mr. DYER. Mr. Chairman, I offer an amendment that it close in 15 minutes.

The CHAIRMAN. To which the gentleman from Missouri offers an amendment providing that it shall close in 15 minutes. The question is on the amendment of the gentleman from Missouri.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Indiana [Mr. Wood] as amended.

The motion as amended was agreed to.

Mr. WOOD of Indiana. Mr. Chairman, I wish to speak in opposition to the amendment, and I wish to speak in opposition to the amendment as a friend of the enforcement of the Volstead law. We appropriated last year \$5,500,000 for the enforcement of this act. We are proposing to appropriate in this bill this year \$6,500,000. There are now employed—and it may be in-

interesting for the committee to know it—497 clerks in the city of Washington for the purpose of this enforcement, and 2,250 field clerks. It has already been announced to you that there is a deficiency of \$1,600,000. The people who have had in charge the enforcement of this law have paid no attention whatever to the action of this Congress in appropriating money for this act, but in violation, if you please, of the mandate of Congress, have exceeded their authority by \$1,600,000. By a like token, if we were to appropriate this year \$6,500,000 they would take it as a license or liberty, if you please, to exceed the amount by \$2,000,000 next year.

Mr. CARAWAY. Will the gentleman yield?

Mr. WOOD of Indiana. I will not yield. I have not the time.

Mr. CARAWAY. You have more time than you need.

Mr. WOOD of Indiana. I want to call attention of the committee to this fact, that there is not a law-enforcement officer who has at heart the support of this bill but what knows that under the present arrangement it is a farce. I have it from those who are friends of this bill, in my State, telling me that under the present arrangement it is absolutely impossible to have any efficiency toward the proper enforcement of the law because of the fact of the divided responsibility. Upon the one hand, the internal-revenue agents say that they can not get the proper support from the Department of Justice, and, upon the other hand, the Department of Justice says that these people are so inexperienced that they do not bring the evidence properly before them and in consequence they can not secure conviction. And so it is a case of shuttlecock, each trying to cast responsibility upon the other.

This law should be transferred to the Department of Justice, and we have the evidence that if it were there now a great deal more enforcement could be had than is now being had at one-third less than we are now expending. So, knowing, as they must, that this law is not being enforced, because it is placed where it can not be enforced and where it should not have been placed, because it is not in the hands of the law-enforcing function of the Government, why do they ask us to appropriate \$2,000,000 more, in order that it may be frittered away without any adequate results? Let this law be enforced by the department where it belongs, and let Congress appropriate sufficient money to keep it going until it is transferred where it belongs and where it may receive support from the department that was established for the purpose of enforcing the criminal law. The part the Internal Revenue Bureau has of right in this measure is a mere bagatelle; it is a mere incident, and it should not be charged with this enforcement, because it knows it is not capable of its enforcement.

Mr. VOLSTEAD. May I ask a question?

Mr. WOOD of Indiana. No.

Gentlemen appearing before our committee from the Internal Revenue Bureau realized and confessed their inability to enforce it, because they found they have not the law-enforcing machinery, and, upon the other hand, the Department of Justice say they can not enforce it, because they do not receive the adequate support from the Internal Revenue Bureau. And not one cent more than is suggested and recommended by this committee should be appropriated until the so-called friends of this bill see to it that it is placed in the hands of those whose business it is to enforce the law. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. UPSHAW and Mr. CRAMTON rose.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAMTON], a member of the committee, is recognized.

Mr. CRAMTON. Mr. Chairman, my friend from Indiana [Mr. Wood], for whom I have the greatest respect, gives as his chief argument for the cut in the expenditure permitted for this department for the coming year the belief on his part that the present enforcement of the prohibition amendment in this country is a farce, and that it must continue to be a farce so long as it is retained under the present department instead of being transferred to the Department of Justice. If his position as to that is correct, then I am surprised that his committee, having done so well for economy on every other proposition, instead of cutting the \$600,000, did not cut off \$6,000,000. Furthermore, it is entirely beside the question to argue here whether or not enforcement would better be secured under the Department of Justice. The gentleman's committee did not have jurisdiction of the question of transferring the enforcement to the Department of Justice, and such an amendment to this bill would not be in order. That question is not before the House now, as to whether enforcement can better be secured in one department or the other. The law now permits its en-

forcement under this bureau under the Commissioner of Internal Revenue. And if we are to secure enforcement of the law it can only now be secured under the Internal Revenue Bureau. Now, the people of this country are interested in the enforcement of the amendment for prohibition. I believe there is a keener interest in that than in any other proposition in this bill, and I do not believe that they will relish any action of Congress that will handicap the only existing agency for the enforcement of that law.

Now, that law took effect, so far as its practical operation is concerned, during the last year. The bureau built up its organization and began its real work, so that now they are engaged on the work on a larger scale than they were at the beginning of the year, and hence, keeping up the work on the same scale as at present, it would cost them more than for the current year, and for the current year it is costing them \$7,100,000. The committee proposes to cut it \$600,000.

We Members who believe that we must make the best use possible of the only existing agency for the enforcement of the law fear that if there is a cut of \$600,000 on this appropriation it will have a bad effect in two directions; first, that it will cripple the real work of this agency, and it will not be enough for them to give even the sort of service they are now giving; and, further, that it will be held by the people of this country as an indication that the time has come when the Congress of the United States is not standing back of the enforcement of this constitutional amendment. We can not afford to have that impression go out. We must give the sanction of Congress to the enforcement of the law of the Nation. [Applause.] If we now, in the second year of our efforts, cut down the money for the enforcement of that amendment, we serve notice to the country—mistakenly, but nevertheless it will be so accepted—that the reaction has commenced; that the era of open law-breaking is beginning. I say we can not afford it. I hope the amendment will be adopted. [Applause.]

Mr. UPSHAW. Mr. Chairman, the heart of the argument I expected to make for the amendment of the gentleman from Minnesota [Mr. VOLSTEAD] is found in the following telegram, which I received to-day from Bishop Cannon, formerly a great prohibition leader of Virginia, now of Birmingham, Ala. It reads as follows:

BIRMINGHAM, ALA., January 12, 1921.

HON. WILLIAM D. UPSHAW, M. C.,
Washington, D. C.:

The people in the South have shown that they are strongly back of national prohibition and its enforcement. We believe that the amount expended by the law enforcement department is reasonable, and it should be granted. As long as the law enforcement unit returns to the Government more than the expense for running the department, it is false economy to deny this department the necessary appropriation for its work. The law should be enforced, even if it cost the amount asked for with practically no returns to the Government in fines and forfeited bonds and prohibitive taxes, but as long as these items cover that expense, there can be no excuse for cutting \$1,000,000 from the needed appropriation. As chairman of the board of temperance and social service of the Methodist Episcopal Church South, I appeal to you on behalf of our constituency to vote to reinstate the million dollars cut from the appropriation bill for the enforcement of national prohibition.

JAMES CANNON, JR.,

Chairman Commission on Temperance and Social Service, Methodist Episcopal Church South; Chairman Business Committee of the Federal Council of the Churches of Christ in America.

Mr. DYER. Mr. Chairman, will the gentleman yield for a question?

Mr. UPSHAW. Yes.

Mr. DYER. Does not the gentleman think that the advice and judgment of the Committee on Appropriations, which is charged with the responsibility of reporting this bill to the House, after hearings and investigations, should be accepted in preference to that of some one who has not investigated the matter?

Mr. UPSHAW. I honor the Committee on Appropriations, but on a question of this kind I would far rather trust the judgment of the leaders who put this wholesome law on the statute books. [Applause.] And the fact, Mr. Chairman and gentlemen, that the recognized leaders of the movement that resulted in the enactment of the national prohibition law are in favor of this amendment is a good reason for our taking them at full faith.

May I add this other word? In my frequent conferences with leaders and with the Federal prohibition commissioners, charged with the enforcement of this law, I find everywhere the feeling that they have not enough men for the work; and the other fact—remember this; we emphasize it—that if this enforcement department were allowed to use the money that comes to it from all its sources of income it would "wear diamonds," so to speak, and it would be in clover. Therefore, we simply come to you and emphasize what has been said by the gentleman preceding [Mr. CRAMTON], and declare that with the eyes of the

world upon America as the first great nation that, by due governmental process, has outlawed this unspeakable evil, for our own sakes, for the sake of national self-respect, for the sake of the majesty of this law and all law, for the safety of our young manhood, the "to-morrow of this Republic," and for the sake of its influence on the onlooking world, let us stand by the forces that are now giving their all to the enforcement of this law, which is the crystallization of the dreams, the prayers, and the efforts of the best people of America. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. VOLSTEAD].

Mr. STEPHENS of Ohio. Mr. Chairman, is a substitute in order for this amendment?

The CHAIRMAN. It is.

Mr. STEPHENS of Ohio. I would like to suggest as a substitute, on line 25 on page 64, "For rental of necessary quarters, \$1,000,000," by way of substitute for the amendment as presented.

Mr. BLACK. Mr. Chairman, I make the point of order that that is not a substitute.

The CHAIRMAN. The Chair thinks that it is not a substitute.

Mr. STEPHENS of Ohio. It is not? I thought it was.

Mr. MANN of Illinois. Why is it not a substitute? He offers it as a substitute.

Mr. STEPHENS of Ohio. I offered it as a substitute for the amendment.

Mr. GALLIVAN. Mr. Chairman, I ask unanimous consent to withdraw my amendment in favor of the amendment of the gentleman from Ohio. [Laughter.]

The CHAIRMAN. The gentleman from Massachusetts [Mr. GALLIVAN] asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MANN of Illinois. I object.

The CHAIRMAN. Objection is made. The Clerk will report the amendment offered by the gentleman from Ohio [Mr. STEPHENS] in the nature of a substitute for the amendment of the gentleman from Massachusetts [Mr. GALLIVAN].

The Clerk read as follows:

Substitute offered by Mr. STEPHENS of Ohio: Strike out, line 25, page 64, "\$6,500,000" and insert in lieu thereof "\$1,000,000."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. GALLIVAN] to the amendment offered by the gentleman from Minnesota [Mr. VOLSTEAD].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. MANN of Illinois. Let us have a rising vote.

The CHAIRMAN. A division is asked for. The question is on agreeing to the amendment to the amendment.

The committee divided; and there were—ayes 12, noes 15.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the substitute offered by the gentleman from Ohio [Mr. STEPHENS].

The question being taken, the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Minnesota [Mr. VOLSTEAD].

The question being taken, on a division, there were—ayes 86, noes 48.

Accordingly the amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, there is opportunity for offering another amendment without debate, is there not, on another portion of the same section?

The CHAIRMAN. Yes.

Mr. CHINDBLOM. In line 1, page 65, I move to strike out the word "shall" and substitute the word "may."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CHINDBLOM: Page 65, line 1, strike out the word "shall" and insert in lieu thereof the word "may."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question being taken, the amendment was rejected.

Mr. SNYDER. Mr. Chairman, I move to strike out the last word. On yesterday in a discussion with reference to the number of typewriters purchased by the War Department during the period of the war this language was used by the chairman of the subcommittee, the gentleman from Indiana, as appears in the RECORD, on page 1361:

Mr. Chairman, there has been more graft and fraud committed against this Government with respect to typewriters than any other commodity.

And, further on, he stated that there were 2,000,000 typewriters purchased by the War Department during the war.

Now, I am not rising to defend the War Department in the purchase of typewriters, but the charge there is clearly against the typewriter manufacturers of this country, and I rise in defense of at least one concern which is building typewriters in my district, the largest concern of the kind in the world, which has been in successful operation for nearly 50 years. I make this statement, after careful investigation this morning, which shows that during all the period of the war all the departments of the Government did not buy in excess of 250,000 typewriters, and that the War Department, for use in this country, did not buy to exceed 75,000, and for use of the American Expeditionary Forces outside of the country they did not buy in excess of 100,000, all of which were sold in France and are still on the other side of the ocean.

I do not believe that the chairman of this subcommittee wants any such statement as he made yesterday to become of general circulation throughout the land. In response to a question put to him by the gentleman from Illinois [Mr. MANN], who asked if the parties purchasing those typewriters were either fools or knaves, or words to that effect, he said that was exactly what they did, that they purchased 2,000,000 typewriters. I again make the assertion that after careful consideration the statement which I have just made will be found to be the fact.

Mr. WOOD of Indiana. I desire to state that so far as what I said concerning there being more fraud and graft with reference to typewriters than in any other—or almost any other—commodity I have nothing to retract, and I mean exactly what I said then and still say now.

So far as the number of typewriters purchased is concerned I did make a mistake, and am glad to have this opportunity of correcting it. I find that the number of machines purchased by the War Department, according to the hearings of last year, was 200,000, and that of this number they have never been able to account for more than 23 in this city, yet we found 5,000 of them in one building.

Mr. SNYDER. Since the gentleman made such a glaring mistake in the number, he may have made a mistake in the charge as to graft, and so forth, with regard to the typewriter manufacturers.

Mr. WOOD of Indiana. I made no such charge against the manufacturers. But if that is any consolation to the gentleman, all right.

Mr. MANN of Illinois. There certainly is a wide latitude between 75,000, or even 200,000, and 2,000,000. I make mistakes myself. I am not criticizing anybody who makes them, but people ought to be pretty careful about expanding their figures tenfold.

Mr. WOOD of Indiana. That was a common practice during the war. We got so in the habit of talking millions and billions during the war that it is not strange that we make an occasional lapse now. [Laughter.]

Mr. GARD. I think what has just occurred is a splendid illustration of how we sometimes legislate or attempt to legislate under the spell of enthusiasm and with not much information. Yesterday it was said here by the high authority of the chairman of the committee that 2,000,000 typewriters had been purchased by the War Department, and charges were made that if the Secretary of War purchased that many he was either a fool or a knave, and that if anybody purchased them they were either fools or knaves. Now, the statement has shrunk from 2,000,000 typewriters to 200,000 typewriters, one-tenth of the number alleged, this time after an investigation, and now the admission of this great error is made by the chairman, who should make correction of these unfounded and unjustified charges. A point of order was made yesterday, and the statement was made by the gentleman from New York [Mr. SNYDER], on page 1361, CONGRESSIONAL RECORD of January 11, 1921—

Being interested to some extent in some of the typewriter manufacturers, I feel that that statement can not be justified.

The point of order was made by the gentleman from New York [Mr. SNYDER] after he had made this very frank statement of his interest, and now I am glad to have the matter thus doubly cleared, in the interest of the gentleman from New York and in the correction made by the gentleman from Indiana [Mr. WOOD], the chairman of the subcommittee.

Mr. SNYDER. Mr. Chairman, I move to strike out the last word. Reference has just been made to a statement that I made yesterday and to-day with regard to having an interest in typewriter plants in my district.

Mr. WOOD of Indiana. I make the point of order that the gentleman is not in order.

Mr. SNYDER. I want to correct a statement putting me in a light in which I do not desire to appear. I think the gentleman ought to be courteous enough for that. I move to strike out

the last word, for the purpose of clearing up a statement which has just been made with regard to a statement that I made here a moment ago. I want to say that I have no interest, financial or otherwise, except that the typewriter concerns in my district are constituents of mine.

Mr. GARD. I made no statement. I merely read what was in the RECORD, from the gentleman's own statement.

Mr. SNYDER. I want to clear that up, so there can be no ambiguity whatever about it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For incidental and contingent expenses, \$1,300.

Mr. GANDY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. GANDY: Page 68, after line 6, insert the following as a new paragraph:

"Deadwood, S. Dak., assay office: Assayer in charge, who shall also perform the duties of melter, \$1,800; assistant assayer, \$1,200; clerk, \$1,000; in all, \$4,000. For wages of workmen and other employees, \$2,000, and for incidental and contingent expenses, \$1,200."

Mr. BLANTON. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill and that it is not germane to the preceding paragraph and not authorized by law.

The CHAIRMAN. The Chair will ask the gentleman from South Dakota whether this provision is authorized by law?

Mr. GANDY. I want to say to the Chair that this was authorized by paragraph 10 of the legislative, executive, and judicial appropriation bill approved February 18, 1897.

Mr. BLANTON. Mr. Chairman, I make the point of order that that is an appropriation bill and that it is not law.

Mr. GANDY. Mr. Chairman, we have gone into that phase of this before. There is a specific authorization for this in the appropriation bill over and above the appropriation.

The CHAIRMAN. The Chair thinks that if the gentleman can not point to some substantive law authorizing the creation of that assay office and fixing the salaries, that the mere fact that it appears in an appropriation bill would not make it in order.

Mr. BLANTON. If the gentleman wants to discuss the matter, I shall reserve the point of order.

Mr. GANDY. I do not want to discuss that feature of it. I have gone into that phase of it before. There is specific authorization for this office over and above the appropriation, and I have cited the chairman to the specific authorization.

Mr. BLANTON. I submit that that is in an appropriation bill.

The CHAIRMAN. The Chair suggests to the gentleman from Texas that he reserve his point of order for a few minutes until the matter can be looked into.

Mr. BLANTON. I will do that. I make this suggestion, that even though an appropriation is carried year after year in an appropriation bill, if there is no substantive law authorizing it, it is subject to the point of order.

The CHAIRMAN. That is true; but the Chair thinks possibly there may be substantive law for this.

Mr. CARTER. An authorization can be placed in an appropriation bill just the same as in any other bill.

The CHAIRMAN. Perhaps the gentleman from Indiana, the chairman of the subcommittee, could cite the Chair to the law.

Mr. WOOD of Indiana. Mr. Chairman, my opinion is that its original authorization was in an appropriation bill. I call the attention of the Chair to the United States Compiled Statutes, 1918, section 6427, which reads:

Assay office at Deadwood, S. Dak.: For establishing an assay office at Deadwood, in the State of South Dakota.

Then, section 6428 reads as follows:

Assay office at Deadwood, S. Dak.: * * * and said assay office shall be conducted under the provisions of the act entitled "An act revising and amending the laws relative to the mints, assay offices, and coinage of the United States," approved February 12, 1873.

Mr. Chairman, I am inclined to think that this is statutory.

The CHAIRMAN. In view of the citation of the gentleman from Indiana, the Chair is inclined to think that this is authorized by law.

Mr. BLANTON. Did the Chair catch my further point of order, that it is not germane to the preceding paragraph?

The CHAIRMAN. That provides for an assay office. The Chair thinks the amendment is in order and overrules the point of order.

Mr. GANDY. Mr. Chairman and gentlemen of the House, this item has been discussed many times in the past 10 years before this House. I can conceive of nothing except a misun-

derstanding of the facts, both in the field and in Washington, that would lead the committee at this time to eliminate this item from the bill. I concede that this country would run right along, perhaps, if we were to eliminate a great many of the governmental activities, but the fact is that this office for more than 20 years has served a definite purpose in the life of the mining community in which it is located, and no man lives who can gainsay that. The elimination of this office is not recommended by the Treasury Department of the United States, or by any official connected with it, and I make that statement without fear of successful contradiction. Many years ago a Director of the Mint did recommend that some of the minor assay offices be eliminated, but not since that statement has any assertion been made to the Committee on Appropriations, either in writing or verbally, as shown by the record, asking for the elimination of this item, and I have looked back over the hearings for 20 years. This item was regularly estimated for by the Secretary of the Treasury.

The amendment that I have introduced places the appropriation as it is in the current law, taking no cognizance of the recommendation of the Director of the Mint for an increase for this office. The Deadwood assay office was self-sustaining for many years, as will be shown by the records of the Treasury Department, and it remained self-sustaining until the Congress reduced the appropriations in 1914 and forced the Director of the Mint to notify the largest of the gold-producing companies of the Black Hills that he could no longer at that particular office accept their bullion.

From that time to this the bullion of the largest producing gold mine in the United States has been transported to the Philadelphia Mint and is not credited to this assay office, which is within a stone's throw of the mine that produces it. Even then this office is serving a great purpose. I notice from the report as filed with the Committee on Appropriations that this office had more assays of ore for gold or silver than any other assay office conducted by the United States Government.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. GANDY. Yes.

Mr. CANNON. If I recollect rightly, the gold that is produced in this, the richest mine, I believe, in the United States, in the gentleman's State, is carried to the Philadelphia Mint at the expense of the Government. The Government pays the freight, whereas the farmer has to pay his own freight on his wheat and corn.

Mr. GANDY. Mr. Chairman, I am sure that the gentleman did not hear the statement I just concluded. I just finished saying that in 1914 the appropriation was reduced, and that since that time the bullion of the largest gold mine under the American flag, which is located within a stone's throw of this assay office, has not passed through this office, and it will not pass through it under the appropriation if made pursuant to this amendment.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. GANDY. Mr. Chairman, I ask unanimous consent to continue for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CANNON. If it is assayed there, would it not pass through there?

Mr. GANDY. The appropriation asked for in the amendment is the same as the present appropriation and is still not sufficient to take on that quantity of business. It would not permit of the handling of the bullion from this mine if the amendment were agreed to.

Mr. CANNON. They can assay it themselves, or if the Government assays it, the Government pays the freight to the Philadelphia Mint, if I am correct. I looked the matter up some years ago, when I had charge of this bill.

Mr. GANDY. In 1914 the appropriation for this office was reduced to the extent that they were no longer able to handle the bullion for that mine, and it has not since handled it and will not handle it if this item be agreed to.

Mr. CANNON. If the Government assays—

Mr. GANDY. It does not assay bullion from that mine at this office.

Mr. CANNON. Would the Government pay transportation?

Mr. GANDY. I want to be fair with the gentleman and with the committee, and I say I do not know. There is a little charge known as a freight charge, but whether that is sufficient to pay the entire cost of transportation I do not know, but those are regulations made by the Treasury Department.

Mr. CANNON. Why should the farmers' wheat raised in Dakota and marketed in Philadelphia or the seacoast—why should that be taxed the cost of transportation—

Mr. GANDY. I know the gentleman does not want unnecessarily to take up my time.

Mr. CANNON. I do not.

Mr. GANDY. And the question of freight on bullion is not germane to this discussion at all.

Mr. CANNON. Will the gentleman accept an amendment cutting out free transportation?

Mr. GANDY. Why, so far as I am concerned, yes. Now, I just stated before being interrupted by the gentleman from Illinois that the report as made to the Appropriations Committee—and I hold it here in my hand—shows that this office made more assays of ore for gold and silver than any assay office under the American flag—bar none—for the fiscal year ending June 30, 1920. There were 446 for gold or silver as against 166 at New Orleans, 186 at Carson, 184 at Boise, 229 at Seattle, and 436 at Salt Lake. I said in my talk to this House a year ago on this same item that these assays of gold or silver for the prospector who brings his piece of rock to the Government assay office, that he may have an assay of unquestioned integrity, is the greatest benefit. This office serves all of the people of the country; for, if you please, if a gentleman from Illinois, perchance, should come into the Black Hills of South Dakota thinking of investing in a mine he takes ore from that mine—where? Not to a private assay office, in whose integrity he does not have confidence, but to the United States Government assay office. Thus it is for the protection of the investor, the Government, and of the people generally.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that the gentleman have five additional minutes in which to complete his statement.

Mr. GANDY. I would like to have that much time, as I have been interrupted.

The CHAIRMAN. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none.

Mr. ANDREWS of Nebraska. Will the gentleman yield for a brief suggestion?

Mr. GANDY. Yes.

Mr. ANDREWS of Nebraska. On that matter of freight the custom used to be that if the United States Government accepted the bullion and shipped on its own account it paid the freight. If the individual, as owner, shipped it on his own account, he paid the freight.

Mr. GANDY. I am glad to have that explanation, but it is a matter that does not concern this amendment, because the matter of freight is a subject that concerns all assay offices, and this assay office should not be singled out for something that concerns them all. If the appropriations were made for this office on the basis they were in 1914, this office would again be self-sustaining, as it was then. An effort has been made to drive out the smaller offices for the benefit of the larger ones. Even though the bullion from the Homestake mine is not handled at this office, yet it had 79 deposits of bullion last year, which is remarkable when we consider the situation that confronted the gold-mining industry. I said on the floor a year ago that a great number of smaller gold-mining companies were either at a standstill or would be driven out of business if conditions did not change in the gold-mining industry or relief come through some measure here.

Mr. HUDSPETH. Will the gentleman yield? I am in sympathy with him, and I want to ask why the appropriation was cut off in 1914?

Mr. GANDY. It was reduced in 1914. That is before my time of service in this House, and the only thing I can say about it was that it was in line with a policy of carrying the bullion to the larger offices to the detriment of the smaller offices. Now to go back. There were 79 deposits of bullion in the fiscal year ending June 30, 1920, notwithstanding the unfavorable conditions in the gold-mining industry in the United States.

Without the bullion from the famous Homestake mine going through this assay office the smaller producers brought in \$482,907.03 of absolutely new gold that never was spent before in the world, tendered over the counter of this office, and which cost the Government of the United States the great sum of \$7,200 of appropriations to maintain. In addition to the \$482,000 of gold that came from the small producers we produced in the little Black Hills of South Dakota several millions of new gold. In the Black Hills since gold was discovered in 1876 something near \$300,000,000 of gold has been produced. We hope if conditions change in the gold-mining industry that production may come back to what it was before the war, not only in this but in other gold camps of the West.

Realizing the critical times the gold industry has passed through, and the hope that we have of its now looking up, knowing the great good that institution is to that community and to the investing public of the Middle West, I beg of this House again, as I have begged three or four times in my six years of service here, that it not now cripple the gold industry there; that it not strike down the Deadwood assay office that provides the only office in 500 miles where you can get a Government assay of ore—gold or silver or any other precious metal. I implore the House for this small item, and I feel like begging the pardon of Members for taking up the time at such length on an item of \$7,200 all told, to maintain an office for another year, which for 20 years has served its purpose in one of the greatest gold camps under the American flag. [Applause.]

Mr. MANN of Illinois. Will the gentleman yield?

Mr. GANDY. I will.

Mr. MANN of Illinois. If only \$400,000 worth of gold is presented to this assay office in a year, why do we need the assayer and assistant assayer?

Mr. GANDY. Of course, the gentleman wants to be fair. It is nearer \$500,000 than \$400,000. In addition thereto, the office made, as the gentleman will see if he will turn to the hearings, 446 individual assays for gold and silver and 45 assays for base metal, or almost 500 separate assays, besides those made on bullion brought into the assay office.

Mr. WOOD of Indiana. Mr. Chairman, I desire to say in opposition to this amendment that it is no argument that the Treasury has not asked for the abolishment of this office. The Treasury Department never asked for the abolishment of the Subtreasury, and year after year and session of Congress after session of Congress the attempt was made to abolish those useless things. We finally abolished them, and the Treasury finally consented. No one ever asked, so far as the Government was concerned, for the abolishment of the old pension agents.

Mr. GANDY. Will the gentleman yield for a question?

Mr. WOOD of Indiana. I yield.

Mr. GANDY. In explanation of my statement, I made it for the reason that it has been stated on this floor and by the gentleman himself that this recommendation was made by the Treasury at various times.

Mr. WOOD of Indiana. The Treasury now, while it is not recommending this thing, realizes the fact that it is absolutely useless. Now, there is a great deal more gold assayed, I expect, in a single month in Alaska than there is in a single year in South Dakota, and yet they have no assay office in Alaska. They have plenty of gold and silver and other minerals down in Arizona, and yet they have no assay office there. The same thing is true of New Mexico. Now, this assay office at Deadwood has been going down grade ever since 1911, until it has gone down from 473 deposits to seventy and odd redeposits. I wish to impress upon the committee that it is simply a matter of whether we are going to spend money to keep somebody in employment up there, in a place which is absolutely as useless as the subtreasuries were or the pension agents were, which they clung to and tried to keep as long as possible, but which after repeated efforts were abolished.

Now, the amount of deposits in this office last year were 79. The amount of income from this office was \$700.85. The expense of keeping the office was \$8,162.91, against the credit of \$198.14, making a clear loss, so far as the Government was concerned, of over \$7,000. It is simply a question of whether, for the purpose of satisfying the personal desires of Members of this Congress, we are going to continue the sinecure, or whether, under obligations to the country and the Treasury of the United States, we are going to save this money which is being absolutely frittered away. There can be nothing said in defense of keeping this office, except that it was once established there.

Mr. MAYS. Did not the Director of the Mint say that it was of great service to prospectors in their endeavor to discover minerals around the country?

Mr. WOOD of Indiana. I will say as to the Director of the Mint, that he did not advocate retention or the abolishment of this office. But we can not afford to make this Government entirely an eleemosynary institution. There are plenty of other ways to get assays. You do not have to have an assay office to have the assay.

Mr. MAYS. Do you expect the Bureau of Soils and the Bureau of Plant Industry to pay a dividend?

Mr. WOOD of Indiana. They are paying very large dividends.

Mr. MAYS. In what way?

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. RAKER. Mr. Chairman, I would like to speak on the amendment.

It is unfortunate that this subject has to be brought up every year. It has been brought up every year for the last 10 years. It is a wave of attempted economy, and I say it frankly, by those who do not take the time to go into the subject and who are not familiar with it first hand. Eight years ago an effort was made to abolish all these except four. An argument was made then that they were absolutely unnecessary. But it was demonstrated then and it has been demonstrated ever since that they were absolutely necessary, and during the war three of the offices that were attempted to be abolished were made important agencies in furnishing those things which the Government needed. The same argument was made in relation to the Seattle office eight years ago that is made in regard to the office that the gentleman tries to exclude. The same argument was then made in regard to the Helena, Mont., office; the same argument was made in regard to Boise, Idaho; the same argument was made in regard to the San Francisco office as is made in regard to the amendment that the gentleman seeks to place upon this bill; and the one relating to Carson, and the one relating to Salt Lake. But I understand that Salt Lake is left out, although it ought to be in.

It is a humiliating situation, and I am not criticizing the splendid chairman because of that, but he is not familiar with the work that has been done by these offices.

The same argument that is advanced for the abolition of this office could be advanced for the abolition of the office at New York and the transfer of that office to Boise, Idaho, or Salt Lake, Utah. Simply because these two offices are without the prescribed territorial limits designated by the gentleman from Illinois [Mr. MADDEN] the Government ought not to be deprived of its proper functioning in doing important public work that ought to be done. I trust that the members of the committee will not permit this office to be abandoned. They ought to adopt the amendment offered by the gentleman from South Dakota and place the item for this office upon this bill because of the good work that it has done and the benefit it has conferred upon the general public. There can be no reason for its exclusion. There can be no reason for keeping it out. It ought to remain just the same as the one at New York and as the one at Philadelphia. Simply because it does not do the amount of work in volume, although of the same class and character as far as it goes, is no reason for excluding it. It supplies the people of the immediate neighborhood and community in that mining district, as the other offices supply the needs of the people in Idaho and Washington and California and Colorado and the surrounding territory. For the very reason that those offices are maintained and kept there and run as public functionaries for the Government as well as of its people, this office should be placed upon the same footing, and I trust that the amendment of the gentleman from South Dakota will be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota [Mr. GANDY].

The question was taken, and the Chairman announced that the yeas appeared to have it.

Mr. GANDY. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—yeas 28, noes 35.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For incidental and contingent expenses, including new machinery and repairs, wastage in the melting and refining department, and loss on sale of sweeps arising from the treatment of bullion, \$115,500.

Mr. MAYS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Utah offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAYS: Page 68, line 25, after the figures "\$115,500" add a new paragraph, as follows:
"Salt Lake City, Utah, assay office: Assayer in charge, who shall also perform the duties of melter, chief clerk, and cashier, \$1,800; for services of workmen and other employees, \$1,500; other incidental and contingent expenses, \$600; in all, \$3,900."

Mr. MAYS. Mr. Chairman, I would like to have the Republicans acquainted with that portion of the United States west of the Mississippi River, and for that purpose I exhibit this map.

I asked the gentleman from Indiana [Mr. Wood] the question in the debate over the Deadwood office, as to whether or not the authorities in charge of this department did not state that these assay offices were of great interest and of great benefit to the prospectors and the developers of mines. He thought that they had asked that they be abandoned; in effect, that they

were useless. I notice in the hearing that Mr. Wood asked that question of the Director of the Mint, and the Director of the Mint said:

Now, I want to be, as I said before, perfectly honest and frank about these offices. They do perform a great service to the prospectors and men interested in mining throughout the States.

And, then, further along he makes an additional statement about the industry of mining at this time. Mr. Wood asked if the industry had not been decreasing in output, and the director said:

It is dormant at the present time, owing to the lack of prospectors going out and bringing in new mining country. There must be an incentive to the prospector for him to go out and prospect for the purpose of locating new territory.

Now, I do not present this as a money-making proposition, but as a help to the prospecting industry of this country. Salt Lake City is located in the center of the mining industry of the United States. I have just taken the figures of the present year's output of the States adjoining Utah. Utah produced in the year past approximately \$75,000,000 worth of these metals, Montana, to the north of us, produced \$65,000,000; Idaho, \$40,000,000; Colorado, \$37,000,000; Arizona, to the south, \$70,000,000; Nevada, \$32,000,000; Salt Lake City being the geographical center of this industry.

In Salt Lake County there is more ore smelted than in any other county in the world, and in Salt Lake County I think there is more ore produced, measured in value, than is produced in any other county in the world. These miners and prospectors there ask that this office be continued.

We appropriate money in the bills here for various bureaus, such as the Bureau of Soils and the Bureau of Plant Industry, and others of that nature, without considering that we are wasting money.

In Utah during the war we paid \$100,000,000 into the Treasury, mostly coming from these mines. We did not ask for much. We got nothing. We had no "war babies" out there. I could mention at this time but little that Utah got out of this war in profits. It did not profiteer except in the legitimate sale of its products. There are certain little towns here in the East that received more money from the Government in the way of war institutions than all of this intermountain region put together.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. MAYS. Yes.

Mr. MacGREGOR. I would like to ask the gentleman from Utah what the State of Utah is doing to prevent the slaughter of almost the sole remaining herd of wild buffalo left in the United States?

Mr. MAYS. The Government has not appropriated money to protect them. The gentleman is invited out there to hunt. They are also permitting the slaughter of moose and elk in the State of Maine, for instance. But I do not think that is pertinent to this debate.

I submit that with the output of \$319,000,000 in the year past, with the payment by the State of Utah alone of \$100,000,000, it is not unreasonable to ask for the accommodation of this industry that \$3,900 be appropriated.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. MAYS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MAYS. We have made this fight before. My predecessor, Mr. Howell, who represented the State of Utah in this Congress for 14 years, secured the establishment of this office some 14 years ago. Since the establishment of the office it has done very valuable work, and the output of minerals in the State has increased four or five fold.

We have had to fight this battle on the floor every year that this bill has come up since I have been here. Unfortunately there have been men in charge of this bill who have no particular acquaintance with the interests of the West and with the benefits that this western industry has conferred upon the whole country. It is an attempt to discourage the mining industry. You have had a discussion here, and you have heard what has been said as to the critical situation with reference to our gold standard. Salt Lake City next to Deadwood assayed more samples of rock last year for gold than any other office in the country. Those that are kept in the bill have fewer assays. I did not ask for any letters on this subject, but the Commercial Club of Salt Lake City state in a letter from their president, which I received to-day, the following:

EXECUTIVE OFFICES THE COMMERCIAL CLUB,
SALT LAKE CITY, January 8, 1921.

Hon. JAMES H. MAYS,
United States Congressman from Utah,
Washington, D. C.

MY DEAR CONGRESSMAN: In a column in our morning newspaper is a dispatch from Washington to the effect that the local assay office is about to be discontinued. The dispatch contains something to the effect that it has done no business during the past year to speak of.

Activities in mining, with which I know you to be as familiar, if not more so, than anyone here, has been at a low ebb for various reasons. However, we can not conceive of anything of greater value to mining development in our State than the local assay office. It has served manfully, and were one to develop a history of its influence upon mining development we feel that the attending arguments for its maintenance would so preponderate that its discontinuance would be unseemable.

The value of the Salt Lake assay office during the coming spring and summer will be so great and its absence such a grievous loss to the prospectors and small miners, who have been the pioneers in the past for all big things in mining, that we find it necessary to make the strongest appeal possible to you in behalf of continued maintenance of the United States assay office in Salt Lake City.

Anticipating the pleasure of your most earnest cooperation in this matter, we ask to remain,
Yours, very truly,

C. B. HAWLEY,
President,
J. H. RAYBURN,
General Secretary.

The prospector goes out into the hills and gathers a bagful or valiseful of samples that he thinks may look good. He brings them to the Government assay office to have them tested. He would not, perhaps, pay expressage to send them to San Francisco, 900 miles away, or Denver, 700 miles away, but if he can take them into his home town and have them assayed he does it, and then he acts upon that assay, or anybody else may act upon it. It has the Government stamp upon it, and he can go out into the money market and use that in helping to finance his project. I have in mind now one ex-service man who came into my office with a piece of rock that I could not tell had any value. I advised him to go down to the Government assayer and have it assayed. As a result of that assay the mine which was developed paid into the Treasury last year \$250,000 in income tax. The office for a year cost \$3,900. Of course, you have the power to take this office out of this bill if you desire, but I want our folks to know who does it and why it is done.

I want to read just one statement from the American Mining Congress:

SALT LAKE CITY, UTAH, February 20, 1920.

Hon. JAMES H. MAYS,
House of Representatives, Washington:

Salt Lake City assay office has no particular value to the large mining organizations, but is of great service to prospectors and small operators, as it takes bullion in any amount above \$10, while no lots less than \$50 can be sent to Denver or San Francisco Mints. There are no refineries here and no place except the assay office where small lots can be disposed of. Salt Lake City office serves portions of Nevada, Idaho, and all of Utah, and makes mineral tests for other Government branches here, such as assays of counterfeit coin for the Secret Service, tests for the Land Office, Geological Survey, and Forest Service, as well as for private individuals. Its cost is small, and we sincerely hope it can be continued, as its presence here gives stimulus to much-needed prospecting, especially gold. We think Government can afford to take a slight loss when the benefits are considered. This is a unit of a Government organization that, as a whole, earns a substantial profit for the Government.

UTAH CHAPTER, AMERICAN MINING CONGRESS.

I want to say that 19,000,000 acres of our land are yet unsurveyed and unclassified as to the mineral content, and the Geological Survey is going to this office continually to have samples assayed to determine the character of the land in the State that is being surveyed. No charge is made for that, and, of course, no credit is given the assay office for that work. It does work for the Government as well as for private individuals. Its cost is small and we sincerely hope it can be continued.

Mr. WOOD of Indiana. I want to call the attention of the committee to the fact that this office is more of a liability than the other one, while they had a difference of between 79 and 100 deposits in favor of the Salt Lake City office. The gentleman speaks about the \$60,000,000 that they mined out in that country. Evidently they did not pay much attention to this office, because the report shows that there was only \$20,219 in value of gold received at the institution, and the total income was \$743.79, while the total outlay was \$4,171.83. The importance of this office has been declining a little faster than that at Deadwood. If the gentleman's argument was to be relied upon for the purpose of retaining this activity in Salt Lake City, there would be infinitely more reason why we should establish one of these assay offices in Alaska, in New Mexico, and in Arizona. This office is not far away from Denver and I believe that they can get along very well without it.

Mr. MAYS. Does the gentleman believe we ought to have an assay office in Alaska?

Mr. WOOD of Indiana. They never had one in Alaska during all the time of the gold fever up there, when they were turning out millions and millions of gold.

Mr. MAYS. The output of Alaska is decreasing very rapidly.

Mr. WOOD of Indiana. It is a demonstration of the fact that these things were created years ago without any justification, and have been maintained ever since without any justification, just as the old pension agent was maintained without any justification and as the subtreasuries were maintained without any justification.

Mr. GANDY. I will say to the gentleman from Indiana that practically all of the Alaskan gold is placer gold, which does not need to go through an assay office. I merely state that to the gentleman for his information.

Mr. WOOD of Indiana. How about the gold in Arizona?

Mr. GANDY. There is no great quantity of gold in Arizona.

Mr. WOOD of Indiana. There is plenty of silver there.

Mr. GANDY. Silver is a by-product of copper.

The CHAIRMAN. The question is on the amendment of the gentleman from Utah [Mr. MAYS].

The question was taken; and on a division (demanded by Mr. MAYS) there were—ayes 33, noes 34.

Mr. MAYS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOOD of Indiana and Mr. MAYS to act as tellers.

The committee again divided; and the tellers reported—ayes 42, noes 42.

Mr. MAYS. Mr. Chairman, I think it proper to have a recount. I ask for a recount because of the fact that I know of one gentleman who voted in the affirmative who was actually counted in the negative.

The CHAIRMAN. The Chair presumes that the question of a recount would be within the discretion of the Chair. The vote is so close that the Chair thinks there might well be a recount.

Mr. SNELL. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Almon	Emerson	Lampert	Rowan
Babka	Evans, Nev.	Langley	Rowe
Baer	Ferris	Leshar	Rucker
Bankhead	Frear	Linthicum	Sanders, Ind.
Bell	Gallagher	Loneragan	Sanders, La.
Benson	Godwin, N. C.	McArthur	Sanford
Blackmon	Goldfogle	McCulloch	Schall
Bland, Ind.	Goodall	McGlennon	Scully
Bland, Mo.	Goodwin, Ark.	McKenzie	Sells
Booher	Gould	McKeown	Sims
Britten	Graham, Pa.	McKinley	Sinclair
Brumbaugh	Greene, Vt.	McLane	Small
Burke	Griffin	McLaughlin, Mich.	Smith, Ill.
Butler	Hamill	McPherson	Smith, Mich.
Caldwell	Hamilton	Maher	Smith, N. Y.
Candler	Hardy, Tex.	Major	Snyder
Cantrill	Harrell	Mann, S. C.	Steele
Carss	Haugen	Martin	Stiness
Casey	Hersey	Mason	Strong, Pa.
Copley	Holland	Mason	Sullivan
Costello	Hulings	Monahan, Wis.	Sweet
Crago	Hull, Tenn.	Mooney	Swope
Crisp	Husted	Morin	Treadway
Dale	Hutchinson	Mott	Vaile
Davey	Igoe	Nelson, Wis.	Vare
Davis, Minn.	James, Mich.	Newton, Minn.	Venable
Dempsey	James, Va.	Nicholls	Vinson
Denison	Jefferis	O'Connell	Voigt
Dewalt	Johnson, Ky.	Olney	Volk
Dickinson, Iowa	Johnson, S. Dak.	Overstreet	Whaley
Dominick	Johnston, N. Y.	Padgett	Wheeler
Donovan	Juul	Porter	Williams
Dooling	Kahn	Pou	Wilson, Ill.
Doremus	Kelley, Mich.	Rainey, Ala.	Wilson, Pa.
Doughton	Kennedy, Iowa	Rainey, J. W.	Wingo
Dunn	Kettner	Randall, Calif.	Wise
Eagan	Kincheloe	Reed, W. Va.	Woods, Va.
Edmonds	Kitchin	Robison, Ky.	Wright
Ellsworth	Klecza	Rodenberg	Yates
Elston	Kreider	Rose	

The CHAIRMAN. The committee rose; and the Speaker having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having under consideration the bill H. R. 15543, finding itself without a quorum, he had caused the roll to be called, whereupon 271 Members answered to their names, a quorum, and he handed in the list of the absentees to be printed in the Journal and in the Record.

The committee resumed its session.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

Mr. BEGG. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The vote will be taken by tellers; and the gentleman from Indiana [Mr. Wood] and the gentleman from Utah [Mr. Mays] will take their places as tellers.

The committee again divided; and the tellers reported—ayes 96, noes 92.

So the amendment was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent for permission to add to the figures which I gave this morning relative to the insurance policies which are outstanding in the Bureau of War Risk Insurance, which figures will bring the statistics up to the first of the year.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to revise and extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The Clerk read as follows:

For additional employees in the Office of the Secretary of War, \$75,000: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$1,800 per annum, except the following: Two at \$2,500 each, 2 at \$2,200 each, and 1 at \$2,000.

Mr. SNELL. Mr. Chairman, I move to strike out the figures "\$75,000," in line 4, page 70, and to insert in lieu thereof the figures "\$50,000."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. SNELL: Page 70, line 4, strike out "\$75,000" and insert in lieu thereof "\$50,000."

Mr. SNELL. Mr. Chairman, I do not intend to take up the time of the House to discuss this much further, only I want to call the attention of Members to the fact that in the War Department there are nine special lump sums for additional appropriations for special employees. Those sums altogether amount to nearly a million and three-quarter dollars. I do not understand how we will ever decrease the civil force here in Washington as long as we continue to appropriate such large sums of money. I would like to have a vote on the amendment.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BLANTON. And the gentleman is not taking into consideration the deficiencies which are now being prepared and that are to come later?

Mr. SNELL. No; this has nothing to do with that.

Mr. WOOD of Indiana. Mr. Chairman, in opposition to the amendment, I would say that if the gentleman will examine the hearings he will find that we have cut the War Department very severely in this bill. They asked for an appropriation of \$7,259,520 and we reduced that to \$4,331,650, a total cut of \$2,927,870.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. SNELL. It should also be understood that the war has been over for nearly three years and it is time to stop the war expense.

Mr. WOOD of Indiana. There is no one in more hearty accord with the gentleman in that sentiment than I am. In the item that the gentleman is moving to reduce a request was made for \$125,000. We cut that to \$75,000 and we thought we cut it as low as it should be cut.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. CAMPBELL of Kansas. Is it not known to the gentleman from Indiana that the chiefs of these bureaus in all of the departments of the Government have long since learned to ask largely that their joy may be full when the bill is finally agreed upon? They, no doubt, in some instances ask for far more than they need. It does seem that the criticisms which were made here last summer of the administration of the War Department were unwarranted, if we are going to keep on making lump-sum appropriations to continue the vast army of civil employees who still go into these offices in the morning and come out in the evening, doing practically nothing during the day.

Mr. WOOD of Indiana. If the gentleman will examine the hearings in this case, he will find that by this bill we have cut the War Department out of 2,500 clerks, and we are getting the

War Department more nearly down to a prewar basis by the terms in this bill than almost any other department connected with the Government. As I stated the other day in my remarks in general debate, we have never yet after a war gotten back to a prewar basis, and we never will. That seems to be one of the penalties of war.

Mr. CAMPBELL of Kansas. We will not if we do not. The way to resume normal conditions is to resume normal conditions.

Mr. WOOD of Indiana. It is mighty easy for the gentleman to make an assertion of that kind, but it is more difficult to make a reduction without material injury, and I do not think the gentleman cares to injure the Government.

Mr. CAMPBELL of Kansas. I do not; on the contrary, I want to benefit the Government. I think it would materially benefit the Government to make proper and even radical reductions in all of these appropriations. [Applause.]

Mr. WOOD of Indiana. I will state to the gentleman that one of the very reasons why as large a force of clerks is maintained in the War Department as there is now is by reason of the act of the gentleman himself, together with the other gentlemen here, in throwing into the War Department the necessity of getting out these war records. It is not done yet, but it is expected it will be done within the present fiscal year.

Mr. CAMPBELL of Kansas. But an activity of that kind should be specifically appropriated for. It can not have escaped the attention of the gentleman—

Mr. WOOD of Indiana. It has been specifically appropriated for and it has been continued here—

Mr. Sisson. Mr. Chairman, what the gentleman says may be true, but if we did what the gentleman asks us to do, as chairman of the Committee on Rules he knows instantly it will be subject to the point of order, but I want to say in justification of the position taken by the chairman of your committee, the gentleman from Indiana, that at the very moment that you depart from the lump sum in order to give these people the necessary clerks to do the work devolving upon them and put them on the statutory roll, mix them up with the statutory roll, you will have a great deal of difficulty in getting them off.

Mr. CARTER. You make them permanent.

Mr. Sisson. You make them permanent. Now, by granting a temporary appropriation these small sums have been granted in a lump sum and are a notice to the War Department that we simply provide for them temporarily. The committee has tried to safeguard the lump-sum appropriations by providing that salaries above a certain amount shall not be paid out of the lump sum but they shall be employed out of the lump sum under civil service pay.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. Sisson. Now, in cutting these down we, perhaps, if they have done anything like the amount of work these gentlemen tell us, have cut too much. I voted with the chairman of the committee on these reductions, and I want to say in justification of this side of the House that I have not made an effort to try to reduce these amounts below what is essential, because after the 4th of March the burden of responsibility is going to be with you to conduct the War Department, and when the records of these soldiers referred to by the chairman of this committee are not in shape where they can be used by the war risk and by all the other various demands made upon the War Department of soldiers' records, the burden will be with you and with your Secretary of War and not with us. Therefore I did not want to reduce these appropriations down to where you will be continually coming into this House and getting a deficiency. I want to go with you down to the place—

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. Sisson. Where you get the right sort of economy in the service, the most penurious economy in the world is a mere record for the time being and then coming back to the House—

Mr. CAMPBELL of Kansas. I want to ask the gentleman not for a run of words but why it is not—

Mr. Sisson. If the gentleman wants me to yield he must treat me with courtesy and respect.

Mr. CAMPBELL of Kansas. I have asked repeatedly—

Mr. Sisson. I never have declined to yield to a gentleman, but the gentleman is pursuing a most peculiar policy in getting me to yield—

Mr. CAMPBELL of Kansas. I beg the gentleman's pardon. I asked the gentleman several times if he would yield, but he did not listen.

Mr. Sisson. I was trying to finish the statement I had in my mind and then I expected to yield to the gentleman. Now, I will yield.

Mr. CAMPBELL of Kansas. What I wanted to ask was this: What is the necessity of the committee appropriating over

\$1,600,000 in lump-sum appropriations for the War Department for these activities at this time?

Mr. Sisson. Well, the gentleman has asked a question that would perhaps require more time than the committee would give me and would consume the balance of the day, as in making that request it covers the entire activities of the War and Navy Departments.

Mr. CAMPBELL of Kansas. May I say to the gentleman this: That undoubtedly the War Department specified that it wanted so much money in order to make up these rolls. Why did not the Committee on Appropriations designate just what was necessary in the making up of the rolls and appropriate for that purpose?

Mr. Sisson. Now, the gentleman is asking another question. But if he himself knew the law and knew how these bills were made up he would not ask such foolish questions, because this committee has got to appropriate money in accordance with the statute. Now, I do not have the time, but when the Committee on Military Affairs bill comes up I expect to get a little time, and I am going to try to help this Congress reconstruct the War and Navy bills so that the very thing the gentleman desires be done can be done.

Under the construction of these bills under the present law, this committee's hands are successfully tied, because, if these activities of the War Department are increased in the field of necessity this bill must be increased. You can not prevent carrying what is in this bill—

Mr. CAMPBELL of Kansas. Now, why must it be increased?

Mr. Sisson. We are not increasing it; we are reducing much below the former bill. But the committee would not be justified in reducing this item to a prewar amount. We must dispose of the matter of war materials, and this requires clerks and bookkeepers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. Sisson. I ask that I may have three additional minutes.

SEVERAL MEMBERS. Make it five minutes.

Mr. Sisson. I will try to finish in that time.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. Sisson. I did not intend to go into this, but when the activities of the War Department are so great in the field—for example, the disposition of all of this war property after it has been declared surplus and this war property is inventoried, the sales are made—the records must be kept here in Washington, so that the bookkeeping will be such that when the property is sold we will be able to know that a proper record is kept, as far as the sales of the property are concerned, and if you do not keep the bookkeeping end of it in the War Department, then you have done a very foolish thing, because you must rely then solely on the man in the field.

Now, those activities of the War Department in the field must be reflected here, and your committee, yea, even the gentleman from Kansas himself, would be absolutely helpless to stop this appropriation unless he would cripple the War Department and thus waste millions unless these activities continue in the field. But in view of the fact that these appropriations are being handled in one committee, if it were not for the fact that the 4th of March is right here and time will not permit, then recommendations could be made so that the whole matter could be synchronized and these appropriations made scientifically.

Mr. CAMPBELL of Kansas. Now, we placed all of these appropriations in the hands of one committee, so that they could be taken care of in such a way that we would not have a situation like this.

Mr. Sisson. If you want to create a riot in this House, you let this committee put some legislation on, irrespective—

Mr. CAMPBELL of Kansas. We do not have to have legislation to cut down appropriations.

Mr. Sisson. Oh, yes, you do, unless you just arbitrarily say that you will not appropriate and thus let millions of property go to waste.

Mr. CAMPBELL of Kansas. Arbitrarily, then.

Mr. Sisson. If the gentleman from Kansas wants to cripple the incoming administration, and wants to do it blindly, and wants to adopt the meat-ax idea and leave the incoming administration to be in the position where in order to function you have got to bring in deficiency bills at the special session of Congress, it is up to you. I am not going to try to treat you with such gross injustice, and I do not believe there is a man in this House who would accuse me of extravagance. I have been accused of penuriousness always. On the contrary, I want these departments of the Government to function when you come into power, and there should be no politics played in the appropriation for one minute.

Mr. CAMPBELL of Kansas. Mr. Chairman, I rise in opposition.

When the question of the consolidation of the appropriating committees was under consideration I advocated the consolidation, so that when appropriations were asked for by the several departments of the Government it would be known to that one committee just how many activities were engaged in by the departments that called for appropriations. We desired to avoid duplication and overlapping. We desired to avoid unnecessary appropriations for the activities of any of the departments of the Government.

Now, the gentleman from Mississippi [Mr. Sisson] comes and says that this appropriation bill can not be reduced, because the War Department is going to continue activities in the field that will make it necessary to have civil employees in Washington, it is said. As a matter of fact, two years and a half after the war, the horses that are maintained by the War Department now equal in number the horses that were maintained during 1917 and 1918. Nobody here or elsewhere can give a justification of that expense on the part of the War Department.

Mr. CARTER. Are there as many horses now as there were then?

Mr. CAMPBELL of Kansas. I understand so; and the War Department says they are necessary.

Mr. CARTER. We heard yesterday that there were 2,000,000 typewriters maintained by the War Department, and to-day that was reduced to 200,000.

Mr. CAMPBELL of Kansas. And for maintaining horses in the War Department it is necessary to have civil employees in the department here in Washington. The one activity calls for the other.

Now, the only way that this Congress and that this side of the House can meet the demands that the country expects from them is simply to take the ax, in the first instance, and go at these appropriations and cut them down to the very quick. [Applause.]

I was hoping that the Committee on Appropriations would give less heed to the insistence of bureau chiefs and of bureau specialists in securing appropriations. There are men who pride themselves on being able to pry from committees of Congress the money they want out of the Treasury. There are men in the departments who are expert in appearing before the committees and expert in explaining the departments of the Government and in securing the money they want. I am hoping that the trained Committee on Appropriations will get back of the question, behind the insistence of these men, and find out whether or not it is necessary to continue the activities at all for which the country is urged to appropriate money.

Mr. FESS. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. FESS. I have a good deal of sympathy with what the gentleman is saying. In looking through the bill I find temporary employees occurring in many places. We have to take, it seems, the statement of the bureau chiefs as to the necessity for them. There seems to be no other way. I understand the ease with which they make their claims appear large. Now, what can we do? It seems to me Congress ought to be able to do something to rectify that.

Mr. CAMPBELL of Kansas. Just use common, human sense and cut the appropriations, disregard the statements of these men who come before the committees and insist that an activity is necessary to be continued two years after the war is over, when everybody knows, in Congress and out of it, that the activity is not necessary in time of peace.

Mr. WOOD of Indiana. I desire to say in answer to the reflection of the gentlemen on the committee that the committee has done the best it could. We have not increased the statutory places in the War Department. They are practically what they were before the war. That there is still much for the clerical force of the War Department to do anybody who is informed will admit. The committee felt that in making another recommendation here, of \$6,500,000 for the enforcement of the Volstead Act, that they were acting within the facts and that they were using the best judgment they could possibly use. Yet gentlemen come in here without any information, among whom is the gentleman from Kansas [Mr. CAMPBELL], and vote a million dollars, without rhyme or reason or any justification whatever. So much for the consistency of the gentleman from Kansas. It is the easiest thing in the world to criticize, and sometimes the hardest to justify that criticism.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes; I yield.

Mr. FESS. What concerns me are statements like what we had a moment ago, that we have as many horses as we had at

a certain time when the war was on. Now, what conceivable reason can be offered for holding those horses in the possession of the Government?

Mr. WOOD of Indiana. There is absolutely no reason at all. This committee has to do with almost everything else, but we have not anything to do with horses. I hope the subcommittee of the Committee on Appropriations in charge of the Army bill, or else the Committee on Military Affairs, in charge of legislation relating to the Army, will get the necessary information.

Mr. BLANTON. I suggest they expect to get a revenue from our colt crop. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from New York [Mr. SNELL].

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. WOOD of Indiana. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 41, noes 43.

Mr. DOWELL. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Iowa asks for tellers. Those in favor of taking the vote by tellers will rise and stand until they are counted. [After counting.] Nineteen gentlemen have risen—not a sufficient number.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of Inspector General: Chief clerk, \$2,000; clerks—2 of class 4, 2 of class 3, 3 of class 2, 5 of class 1, one \$1,000; messenger; assistant messenger; in all, \$21,560.

Mr. BLANTON. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point that there is no quorum present.

Mr. WOOD of Indiana. If the gentleman will withdraw his point we can run along five minutes until half past 5.

Mr. BLANTON. No; I insist upon the point of order. I think we ought to have a new shift and get somebody else.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas be excused. [Laughter.]

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three gentlemen are present—a quorum. The Clerk will read.

The Clerk read as follows:

The services of aeronautical engineers, skilled draftsmen, and such other technical services as the Secretary of War may deem necessary may be employed only in the Office of the Chief of Air Service to carry into effect the various appropriations for aeronautical purposes, to be paid from such appropriations, in addition to the foregoing employees appropriated for in the Office of the Chief of Air Service: *Provided*, That the entire expenditure for this purpose for the fiscal year 1922 shall not exceed \$65,000, and the Secretary of War shall each year in the annual estimates report to Congress the number of persons so employed, their duties, and the amount paid to each.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count.

Mr. WOOD of Indiana. Mr. Chairman, I announced a moment ago that I would move that the committee rise at half past 5. It is now half past 5, and I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 15543) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. JOHN W. RAINEY, indefinitely, on account of illness;

To Mr. TAYLOR of Tennessee, for 10 days, to attend the inauguration of the governor of Tennessee;

To Mr. ALMON (at the request of Mr. McDUFFIE), on account of illness; and

To Mr. YATES (at the request of Mr. ACKERMAN), for to-day, on account of illness.

ADJOURNMENT.

Mr. WOOD of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, January 13, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

327. A letter from the chairman of the Federal Trade Commission, transmitting report of Federal Trade Commission on the grain trade, volume 2, terminal grain markets and exchanges; to the Committee on Agriculture.

328. A letter from the Secretary of War, transmitting itemized report of audits of accounts of the American Red Cross for the fiscal year ending June 30, 1919; to the Committee on Foreign Affairs.

329. A letter from the Secretary of the Navy, transmitting draft of legislation relative to obtaining of fuel by the Navy Department; to the Committee on Naval Affairs.

330. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers on preliminary examination of Luce Creek, Wis., with a view to establishing a harbor of refuge; to the Committee on Rivers and Harbors.

331. A letter from the Secretary of the Treasury, transmitting an estimate of appropriation providing for the relief of the United States Treasury on account of loss of certain loan 4 per cent coupon bonds lost by the First National Bank of Fairmont, N. Dak.; to the Committee on Claims.

332. A letter from the Secretary of the Treasury, transmitting a letter relating to certain items of public moneys that have been lost without any fault on the part of the Treasury; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ELSTON, from the Committee on Appropriations, to which was referred the bill (H. R. 15682) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1922, reported the same without amendment, accompanied by a report (No. 1184), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Washington, from the Committee on Immigration and Naturalization, to which was referred the bill (H. R. 15603) to amend the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States," approved June 29, 1906, as amended, and the act entitled "An act in reference to the expatriation of citizens and their protection abroad," approved March 2, 1907, and for other purposes, reported the same without amendment, accompanied by a report (No. 1185), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 14805) granting a pension to Loisa Lee, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ELSTON: A bill (H. R. 15682) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with the various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1922; committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

By Mr. REED of New York: A bill (H. R. 15683) providing for a survey of Dunkirk Harbor, Dunkirk, N. Y.; to the Committee on Rivers and Harbors.

By Mr. GANDY: A bill (H. R. 15684) to amend section 1 of an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1850, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. EDMONDS: A bill (H. R. 15685) to permit the correction of the general account of the Treasurer of the United States; to the Committee on Claims.

By Mr. HAYDEN: A bill (H. R. 15686) changing the period for doing annual assessment work on unpatented mineral claims

from the calendar year to the fiscal year ending June 30 each year; to the Committee on Mines and Mining.

Also, a bill (H. R. 15687) granting certain public lands to the city of Phoenix, Ariz., for municipal purposes; to the Committee on the Public Lands.

By Mr. HAUGEN: A bill (H. R. 15688) to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of grain for future delivery, and for other purposes; to the Committee on Agriculture.

By Mr. PORTER: Concurrent resolution (H. Con. Res. 71) to designate a day on which our people may be urged to contribute to the need of the suffering populations of the world stricken by war, famine, and pestilence; to the Committee on Foreign Affairs.

By Mr. SIEGEL: Joint resolution (H. J. Res. 446) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ASWELL: Resolution (H. Res. 641) to print 2,500 copies of the Soil Survey of Winn Parish, La.; to the Committee on Printing.

By Mr. CAMPBELL of Kansas: Resolution (H. Res. 642) providing for the immediate consideration of H. R. 14315; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 15689) granting a pension to Mabel Nolan, daughter of John Nolan; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 15690) for the relief of Eva Brannock Groomes; to the Committee on Claims.

By Mr. DAVEY: A bill (H. R. 15691) granting a pension to Leonora E. Wright; to the Committee on Pensions.

By Mr. DENISON: A bill (H. R. 15692) for the relief of Thomas L. Harris; to the Committee on Military Affairs.

Also, a bill (H. R. 15693) granting a pension to Martha Tucker; to the Committee on Invalid Pensions.

By Mr. DICKINSON of Missouri: A bill (H. R. 15694) for the relief of the heirs of William J. Crabtree, deceased; to the Committee on War Claims.

By Mr. EDMONDS: A bill (H. R. 15695) for the relief of the Treasurer of the United States for lost bonds without fault or negligence on the part of said Treasurer; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 15696) granting a pension to Tabitha Lewis; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 15697) granting a pension to Fannie Hart Baber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15698) granting a pension to Julia Little; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 15699) granting an increase of pension to Smith Richards; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 15700) granting an increase of pension to Annie T. Barclay; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 15701) granting an increase of pension to John F. Prater; to the Committee on Pensions.

By Mr. MERRITT: A bill (H. R. 15702) for the relief of Charles A. Frid; to the Committee on Military Affairs.

By Mr. MOORES of Indiana: A bill (H. R. 15703) granting an increase of pension to Sarah C. Rawlins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15704) granting a pension to Margaret Sweet; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 15705) granting a pension to Clara R. Pearson; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 15706) granting a pension to George E. Wycuff; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 15707) granting an increase of pension to Abbey Smith; to the Committee on Pensions.

Also, a bill (H. R. 15708) granting an increase of pension to Susan Hall; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 15709) granting a pension to Hyman Mendelson; to the Committee on Pensions.

By Mr. STEPHENS of Ohio: A bill (H. R. 15710) granting an increase of pension to Ellen S. Mussey; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 15711) granting a pension to Robert B. Wilson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4926. By the SPEAKER (by request): Petition of the American Association for Recognition of the Republic of Ireland, Milesian Council, Staten Island, N. Y., protesting against the outrages being perpetrated by British troops in Ireland; to the Committee on Foreign Affairs.

4927. Also, petition of Julius A. Coleman, favoring the anti-strike law; to the Committee on the Judiciary.

4928. By Mr. CULLEN: Petition of the American Association of Highway Officials, Washington, D. C., favoring the McArthur bill, known as H. R. 14905; to the Committee on Roads.

4929. Also, petition of New York County Organization of the American Legion, protesting against the Sunday blue laws; to the Committee on Interstate and Foreign Commerce.

4930. By Mr. CURRY of California: Petition of sundry citizens of the third district of California, protesting against the Fess-Capper bill, H. R. 12652 and S. 3905; to the Committee on Education.

4931. By Mr. GALLIVAN: Petition of Sturtevant Co., of Hyde Park, Mass., urging appropriation of \$96,000,000 to the Shipping Board for the completion of nearly finished passenger and cargo vessels now being built; to the Committee on Appropriations.

4932. By Mr. GRIEST: Petition of sundry citizens of Lancaster, Pa., favoring the Sunday blue laws for the District of Columbia; to the Committee on Interstate and Foreign Commerce.

4933. Also, petition of sundry citizens of Lancaster, Pa., urging enactment of a uniform law relating to marriage and divorce; to the Committee on Interstate and Foreign Commerce.

4934. By Mr. KELLEY of Michigan: Resolution of representatives of 18,000 wool growers in the State of Michigan, in favor of French-Capper truth in fabric bill; to the Committee on Interstate and Foreign Commerce.

4935. By Mr. O'CONNELL: Petition of the Ace Social Club, of Brooklyn, N. Y., favoring a \$240 bonus for the Government employees for the incoming fiscal year; to the Committee on Appropriations.

4936. By Mr. SINCLAIR: Petition of the Study Club of Fargo, N. Dak., protesting against House bill 12466, permitting the use of the waters of our national parks by private interests; to the Committee on the Public Lands.

4937. Also, petition of the North Dakota Chapter, American Association of Engineers, in favor of continued Federal aid for State highway work; to the Committee on Roads.

4938. Also, petition of the Study Club of Fargo, N. Dak., favoring passage of Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

4939. By Mr. TINKHAM: Petition of the Colored Republican Club, of Springfield, Mass., favoring resolution 591; to the Committee on the Census.

4940. Also, petition of Hyde Park Lodge, No. 345, International Association of Machinists, Massachusetts, favoring a resumption of trade and travel privileges with soviet Russia; to the Committee on Foreign Affairs.

4941. Also, petition of New England Association of School Superintendents, Boston, Mass., favoring the Smith-Towner bill; to the Committee on Education.

4942. Also, petition of the International Association of Machinists, Boston Lodge, No. 264, favoring a resumption of trade and traveling privileges with soviet Russia; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, January 13, 1921.

Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee that Thou hast made us for Thyself, and that we can not rest except we rest in Thee. Grant to us, therefore, the peace of God that passeth all understanding in our hearts and minds, so that through the turmoil and needs and agitation of these days we may seek poise in Thyself. Through Christ, our Lord. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, January 10, 1921, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.